

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, 1918.

---

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

---

CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

---

BRIEF FOR PETITIONER.

---

I.

CONCISE STATEMENT OF CASE AND QUESTIONS  
INVOLVED.

We quote from the decision of the Circuit Court of Appeals the following concise statement of the case:

“Respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635,280, issued October 17, 1899, to N. A. Christensen, for a combined pump and motor. On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent, and thereupon adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures

made, used and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements, and that an accounting before a named master in chancery be had for past infringements. On appeal to this court that decree was affirmed in 1915. Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

Some time after the decisions in this circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. That litigation resulted in a decree, entered in 1917, pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity.

Thereupon petitioner went into the District Court in Wisconsin and on representations that it was entitled to the benefit of the Pennsylvania decree as a privy asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied.

And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on its merits.

On the records of these two cases, which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect." (Printed Rec., 256-257.)\* See also *post* pp. 5-32, and 258 Fed., 880.

The question "at the threshold," which the Court of Appeals referred to and decided, was as to the finality

\*References to the record are to the top paging of Printed Record in this court,—except references in later footnote, *post*, p. 29.

of such Wisconsin decree as an adjudication of the issue as to the validity of Patent No. 635,280; and that court held that such decree was final—*res judicata*—and not interlocutory; and so holding, denied the application of the petitioner to give effect to the Pennsylvania decree as *res judicata*. (Rec., 263, 264 )

In so ruling the Court of Appeals did not give effect to the fact that the hearing and determination by the Circuit Court of Appeals for the Third Circuit of the question of the validity of Patent 635,280 was consented to by the respondents,—the decrees sustaining that patent in the suit here to the contrary notwithstanding. This fact was shown by the answer of respondents herein (par. 6, Rec., 8-9), as well as by the opinion of the Circuit Court of Appeals for the Third Circuit. (Rec., 109.)

The decree of the District Court in question is for convenience here given, the italics being, of course, ours :

#### DECREE.

This cause came on to be heard at this term and was argued by counsel; and thereupon, upon consideration thereof,

It was ordered, adjudged and decreed, as follows, viz:

I. *That the patent of Niels A. Christensen No. 635,280, dated October 17, 1899, for 'combined pump and motor,' is good and valid as to each and every of the claims thereof.*

II. That the complainant, Niels A. Christensen, is the lawful owner of the entire right, title and interest in and to *said* patent.

III. That the defendant, National Brake & Electric Company has infringed *said* patent.

IV. That the said defendant, National Brake & Electric Company, its officers, agents, representatives, attorneys, employees, servants and workmen and each of them and any and all others acting by

and under its authority, for the remainder of the term of seventeen years from and after March 21, 1899, are hereby enjoined and restrained from making, selling or using or causing to be made, sold or used, any combined pump and motor embodying the improvements described in any of the claims of said *Letters Patent No. 635,280*.

V. That Lewis M. Ogden be appointed master, to ascertain and report to the court the number of combined pumps and motors embodying the subject matter of the claims of said *Patent No. 635,280* that have been made and also that have been sold by the defendant in infringement of the patent, and the gains and profits made by the defendant thereon, and the damages sustained by complainants by reason of such manufacture, use and sale.

VI. That complainants, Niels A. Christensen and Allis-Chalmers Company recover of the defendant, National Brake & Electric Company, their costs and disbursements in this suit to be duly taxed; and that the question of increased damages and all further questions be reserved until the coming in of the master's report." (Rec., 39-40.)

This decree was entered by the District Court August 21, 1914, and affirmed by the Circuit Court of Appeals October 5, 1915. (Rec., 50.)

The real question before the Circuit Court of Appeals for the Seventh Circuit, in the instant matter, was whether that court, and under its direction the District Court for the Eastern District of Wisconsin might and should (as we asked it to do in our petition filed August 19, 1918), recognize and give effect (1) to the ruling and decision of the Circuit Court of Appeals for the Third Circuit, rendered July 3, 1917 (Rec., 112, 113, 114), adjudging said *Patent No. 635,280* to be invalid,—which decision was made upon a hearing had in that court by agreement of the parties submitting there that issue for decision upon the merits (Rec., 8-9, 109), in a suit between the respondents here, as plaintiffs, and the Westinghouse Traction Brake Company, a privy of this



petitioner, as defendant; and (2) to the final decree of the District Court for the Western District of Pennsylvania, of October 1, 1917, adjudging said patent to be invalid, which was entered to carry out the mandate of the Circuit Court of Appeals. (Rec., 115.)

The Circuit Court of Appeals of the Seventh Circuit having denied our petition, the petitioner applied to this court for a writ of certiorari which was issued. (Rec., 265.)

## II.

## FULLER STATEMENT OF THE CASE AND QUESTIONS INVOLVED.

## 1. THE INSTANT WISCONSIN SUIT.

Suit in equity, No. 474, was brought December 17, 1906, in the District Court of the United States for the Eastern District of Wisconsin by respondents Christensen and Allis-Chalmers, against petitioner, National Brake and Electric Company, for alleged infringement of Letters Patent No. 635,280 granted to Christensen for an improvement in combined pump and motor, dated October 17, 1899. (Rec., 242.)

Defendant answered this original bill on March 1, 1907, alleging among other things the prior issue of another patent, No. 621,324, to Christensen for the same invention, its return by him for cancellation, the cancellation thereof, alleging also the issue of said Patent 635,280, and that the issue of said second patent was without warrant of law, and said patent was therefore void *ab initio*. (Rec., 27-28.)

November 10, 1913,—almost seven years after the filing of the original bill (during which time the suit slumbered), an *amended bill* was filed by the plaintiffs making allegations that Christensen had before October 17, 1899, namely, on March 21, 1899, obtained a patent for the same invention under the number 621,324 (which patent will be referred to by us as the "First Patent"); and that because he was advised that this first patent might be in some particulars defective, he refused to accept said patent and returned the same to the Commissioner of Patents, and requested that said letters

patent be canceled and new letters patent be issued to him for the said invention; and that the request of the plaintiff was granted and said Commissioner of Patents undertook to cancel said Letters Patent 621,324, and to issue in lieu thereof to said Christensen under date of October 17, 1899, Letters Patent No. 635,280 for the full term of seventeen years from said October 17, 1899, and not for the unexpired part of the period of the first patent. (Rec., 18-25.) (This patent will be designated by us the "Second Patent.")

The amended bill alleged that "the public \* \* \* has had due notice that said motor compressors, articles and apparatus are made under said grant or monopoly and have been and are patented and have been and are marked by fixing thereon the word 'Patented,' together with the day and year of the issuance of said last numbered patent,"—the second patent. (Rec., 22.)

It will be noted that there was no allegation of marking under the first patent.

Said amended bill prayed that "the exclusive grant and monopoly to said Christensen" be adjudged to be valid and in full force for the term of seventeen years from and after March 21, 1899 (the date of the first patent); and that said Letters Patent 635,280 (the second patent) be held by the court to be evidence of said grant for the term of seventeen years from and after March 21, 1899 (the date of the first patent); but if the court should adjudge the second patent invalid, then the bill, in the alternative, prayed the court should decree that the "acts of the Commissioner of Patents and of the Patent Office of the United States in attempting to cancel Letters Patent 621,324 (the first patent) were wholly ineffective and adjudge the first patent to be valid and "that the judgment and decree of this court be entered

herein that the plaintiff, Christensen, is entitled to have said Letters Patent No. 621,324 returned" to him and that "with or without such return, said judgment and decree of the court shall stand and operate in all respects in lieu thereof." (Rec., 24-25.)

The amended bill then made prayers for an answer, an injunction and an accounting of profits and damages.

By order of February 10, 1914, on motion of the defendant, its answer to the original bill filed March 1, 1907, was ordered to stand to the amended bill. (Rec. 30.)

Among other things said answer denied patentability to the claimed invention, averred anticipations, and also set up said prior issue of the first patent, the return thereof by Christensen and cancellation thereof by the Commissioner of Patents, and issue of the second patent for the same invention; and averred that this was done without warrant of law and that "said Letters Patent No. 635,280, were and are null and void *ab initio*"; and denied that the public had notice that articles made and sold under said patent were patented, or had widely recognized and acquiesced in the validity thereof or the utility of said alleged improvement and the alleged exclusive title of complainants thereto." (Rec., 27-29.)

A stipulation in 1913, recited that it was agreed that defendant had due notice as early as May, 1906, "of the issuance of Letters Patent No. 635,280" (the second patent), dated October 17, 1899. (Rec., 31.)

The decree of the District Court above set forth did not refer at all to the said first patent, or cover the alternative or conditional prayer of the amended bill as to alleged patent, No. 621,324 (Rec., 24), which had been canceled at plaintiff's direction, as alleged in the amended bill (Rec., 19-20);—so that said

first patent was not, in any respect, or to any extent sustained or adjudicated in plaintiff's favor by said decree.

Indeed, as we submit, the decree sustaining the second patent excluded the idea that the first patent had any existence.

On appeal this specific decree of the District Court was on October 5, 1915, affirmed by the Circuit Court of Appeals. (Rec., 50.) The master then proceeded with the accounting ordered, and is still so proceeding. (Rec., 242.) The accounting, of course, is under the second patent.

## 2. THE PENNSYLVANIA SUIT.

### (a) *Filing of Bill by Christensen et al. in Pennsylvania.*

On March 13, 1916, respondents Christensen and Allis-Chalmers Company filed their bill of complaint against the Westinghouse Traction Brake Company in the District Court of the United States for the Western District of Pennsylvania. (Rec., 56-66.)

The bill and issues in the Pennsylvania suit were in all substantial respects identical with the amended bill in the Wisconsin suit as to Patents 621,324 and 635,280.

(The Pennsylvania bill also set up and claimed infringement of three other later patents,—one No. 680,842, dated August 20, 1901, for improvements in compressor valves (Rec., 59, 62, 64); another, No. 914,629, dated March 9, 1909, for improvements in compressor valves (Rec., 72); and a third, No. 753,904, dated March 8, 1904, for improvement in electric machines (Rec., 72, 73);—said last mentioned two patents being added by amendment to bill of May 15, 1916.

Said bill was dismissed as to said three last mentioned

patents on motion of the complainants on February 2, 1917 (Rec., 104); and that order as to those three patents was never reversed or disturbed. The Pennsylvania suit was thereafter concerned only with Patents Nos. 621,324 and 635,280.)

This bill of complaint,—like the amended bill in the Wisconsin suit (*supra*, pp. 5-6),—alleged the facts as to the issue of the first patent, its return by the patentee to the Commissioner of Patents with the request that it be canceled and new letters patent be issued to him in conformity with the record in the Patent Office; and the cancellation of said first patent accordingly and issue of the second patent (Rec., 59); and contained prayers like those of the Wisconsin amended bill. (Rec., 64-65.)

The answer in the Pennsylvania suit denied the validity of Patent No. 621,324; and also of Patent No. 635,280; and among other grounds thereof alleged that said Patent No. 635,280 was void because issued without warrant of law, by reason of the previous grant of said first patent, No. 621,324, for the same invention. (Rec., 68.) The answer in the Wisconsin case, as we have above shown (*supra*, p. 7), also denied the validity of said Patent 635,280 upon like grounds. (Rec., 28.)

Thus the pleadings in both the Wisconsin and Pennsylvania suits, by like allegations presented the same facts as to the issue, and the return for cancellation, and the cancellation of said first patent; and as to the issue of the second patent, and the question presented there as to its validity.

A stipulation of facts between the parties was entered into October 27, 1916, in the Pennsylvania suit as follows:

“That on December 30, 1896, the plaintiff Ch

tensen made an application for a patent of the United States for a combined pump and motor; that said application contained two sheets of drawings; during the proceedings in the Patent Office one of these sheets of drawings was canceled by the applicant; the application was allowed and the patent issued on March 21, 1899. As issued, the patent, No. 621,324, contained the said canceled sheet of drawings; on September 16, 1899, Christensen returned the said patent to the Commissioner of Patents, calling attention to the mistake, and demanded that a patent be issued in accordance with the record; thereupon an order was made by the Commissioner of Patents that the seal of said patent be broken and the same returned to the file, marked 'canceled,' and that a patent conforming to the record should be issued. Thereupon a new patent, No. 635,280, was issued to Christensen on October 17, 1899, without the canceled sheet of drawings, for a full term of seventeen years from October 17, 1899, and was for the same invention as the Patent No. 621,324 issued on March 21, 1899, the remaining drawings, specifications and claims being the same in both patents." (Rec., 87, 88.)

(b) *Motion of Plaintiffs in Pennsylvania Suit to Dismiss Bill Without Prejudice, Objection of Defendant and Counter-motion of Defendant for Judgment upon the Record in its favor on the Merits as to Patents 621,324 and 635,280, and Order thereon.*

Evidence was taken for plaintiffs and for defendant, and the case stood for trial on January 22, 1917. An application was made on affidavits of plaintiff and his counsel for a continuance (Rec., 90-93), in which the Wisconsin suit and its status were referred to, plaintiff's counsel Rummel deposing that "an interlocutory decree" was entered therein finding infringement of one of the patents and ordering an accounting of profits and damages; and both affiants characterized the petitioner here (National Brake & Electric Co.) as a sub-

subsidiary of the defendant there,—(Westinghouse Traction Brake Co.) (Rec., 90-91.)

The time for the trial of the case was thereupon postponed to February 13, 1917. (Rec., 97.) A few days before that time the plaintiffs moved to dismiss the bill of complaint without prejudice. (Rec., 94-96, 100-103.)

Defendant objected and opposed this motion to dismiss (Rec., 97-99); and moved the court for judgment based upon the pleadings in its favor upon the merits, to Patents Nos. 635,280 and 621,324, upon the ground that as to such patents all the facts necessary to judgment were already in the record in the allegations of the bill of complaint and in admissions of the answer. (Rec., 100.)

The District Court overruled such motion of the defendant for judgment, and granted the motion of the plaintiffs to dismiss, and thereupon (on February 13, 1917) ordered that the bill of complaint be dismissed with plaintiffs' costs without prejudice; provided that depositions theretofore taken might be used in any other subsequent or pending litigation between plaintiffs and defendant. (Rec., 101-104.)

Defendants thereupon (on March 1, 1917) moved for rehearing upon its said motion for judgment as to Patents Nos. 621,324 and 635,280 upon the ground that the question involved was determinable upon the bill of complaint and answer, and that defendant had the right to have the case decided on its merits as to both patents (Rec., 104-105),—the bill having set out the facts upon which the defense of the invalidity of Patent No. 635,280, by reason of the previous grant of Patent No. 621,324, was based. And the answer had admitted the facts to put in issue the validity of Pa-



No. 635,280 in view of them; and the bill having averred the marking of machines manufactured by the plaintiffs as patented under Patent No. 635,280, and making no such averment as to Patent No. 621,324; the defendant submitted to the court that the defendant had the right to a decision of the question on the merits, and had acquired such rights in the progress of the case as to entitle it to insist upon a final judgment, and therefore prayed that it might be granted a final hearing as to Patents Nos. 621,324, and 635,280,—the bill to stand dismissed as to the other patents in the suit. (Rec., 104-105.) But the District Court refused to entertain such application. (Rec., 109.)

(c) *Proceedings in Court of Appeals for the Third Circuit.*

The defendant thereupon (on April 17, 1917) applied to the Circuit Court of Appeals for the Third Circuit for a certiorari;—its petition, as summarized in the opinion of the Circuit Court of Appeals (Rec., 107), stating in substance as follows:

“That in the bill the Brake Company was charged with infringing three letters patent (two others being added by amendment), two of the first three covering identically the same invention, and both having been granted to Christensen a few months apart, these patents being No. 621,234, and issued March 21, 1899, and No. 635,280, and issued October 17, 1899, each for the full term of seventeen years from its date. That the bill explains this unusual situation as follows: When the first petition issued on March 21, 1899, it contained (probably by inadvertence in the office) a sheet of drawings that the petitioner had ordered to be canceled during the proceeding before the examiner. Several months later the petitioner sent the letters back and demanded new letters that would omit the sheet referred to. He did not apply for a reissue, but the commissioner granted

the demand, and on October 17th canceled the old letters and issued new letters identically therewith (excepting the sheet), but running for seventeen years from its own date. That the answer admits these facts and sets up the invalidity of the second patent on the ground that it was a later grant to the same man for the same invention.

That in addition to the facts charged and admitted, the bill also shows that the question of validity between the two patents has become important, because the bill also avers that the plaintiffs' machines were marked under the second patent, but contains no such averment as to marking under the first patent, this being a matter that affects the accounting if the first patent should be adjudged valid over the second. That the dates show that both patents have now expired, although if the first patent continued to be in force it did not expire until several days after the bill was filed. That is, no injunction can now issue under either patent, the bill presenting only a question of recovery and accounting so far as these two are concerned. Whichever patent be valid over the other, the District Court had in the pleadings without regard to any other consideration, all the facts needed for a decision of this question on the merits;—the bill submitting the question as to an issue to be determined by the court, and praying for an injunction alternatively under the first patent or the second."

(d) *Hearing in the Third Circuit Court of Appeals of the Merits of the Controversy, by Agreement of Parties.*

Upon notice the matter was set down for argument in the Circuit Court of Appeals on June 15, 1917, at which time "counsel for both sides appeared, and, after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon." So that (the Court of Appeals ruled) "informally, there

fore, but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto." (Rec., 109; 243 Fed., 903-904. See also Rec., 8-9, and *post*, pp. 16-17-21.)

(c) *Second Patent Held Invalid.*

The Circuit Court of Appeals decided said case on July 3, 1917, and held that the second patent, No. 635,280, was invalid, saying in its opinion:

"The second patent was not a reissue, for it did not conform to Section 4916, and it was not confined to correcting a mistake under Rule 170, for it went beyond the mistake, and modified the first patent in a vital part, namely, in its date of expiration. Therefore, as the commissioner had no warrant in the law for what he did (*McCormick v. Aultman*, 169 U. S. 608) we see no escape from the conclusion that the second patent was invalid and must now be so adjudged.

To avoid misunderstanding, and if possible to prevent further controversy on several points, we may add that the petitioner is at liberty to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the first patent. On these matters we decide nothing. \* \* \* The decree of dismissal is therefore reversed so far, and so far only, as it affects the two patents referred to, and the bill is reinstated for further proceedings in conformity with this opinion." (Rec., 112, 114.)

Thereupon, the mandate being filed in the District Court, a decree of the District Court was entered on October 1, 1917, by which it was ordered, adjudged and decreed, in accordance with the mandate of the Court of Appeals, that Patent No. 635,280 was invalid, having been issued without authority of law; and that the bill of plaintiffs be and was dismissed as to said Patent No. 635,280 with costs to defendant. (Rec., 115.)

Subsequently upon the same day the same court dis-

missed the bill as to Patent No. 621,324 for want of prosecution (Rec., 117, 199,; and thus,—the bill having been before dismissed as to the patents other than 621,324,—the entire suit was thereby disposed of; and the decree adjudging Patent No. 635,280 invalid became final and irreversible with the expiration of the term.

(f) *Respondents Took No Steps to Reverse Such Final Decision.*

No further step was ever taken by plaintiffs in the Pennsylvania suit—the respondents here—to reverse, set aside, modify or affect such ruling and decision of the Circuit Court of Appeals in the Third Circuit, or the final decree of the District Court upon the mandate, adjudging such second patent invalid. The position of the plaintiff-respondents was shown by the affidavit of one of their principal counsel, Mr. Spooner, of January 23, 1918, in which he said (Rec., 206, 207) :

“That on the first day of October, 1917, there was duly entered in this court a final decree dated that day dismissing United States Patent 635,280 on the merits and which said final decree is now in full force and effect. \* \* \*

By said order and decree of October 1, 1917, made, dated, entered and filed in this cause on October 1, 1917, which is still in full force and effect, the bill of complaint in this cause was as to said Patent 635,280 dismissed on the merits.”

In their answer to our petition here to the Circuit Court of Appeals for the Seventh Circuit at Chicago, the respondents allege of the proceedings in the Circuit Court of Appeals for the Third Circuit as follows (Rec., 8-9) :

“Respondent further allege that thereafter, to wit, on or about the 23rd day of April, 1917, petitioner filed a petition for a writ of certiorari or mandamus in the United States Circuit Court of Appeals for the Third Circuit, entitled *Niels A. Christensen*

*and Allis-Chalmers Manufacturing Company, Plaintiffs v. Westinghouse Traction Brake Company, Defendant*, and that thereafterward such proceedings were had and taken therein that by consent of the parties and not otherwise, the said Circuit Court of Appeals for the Third Circuit determined on July 3, 1917, that as between said patents numbered respectively 621,324 and 635,280, and in so far as the allegations as to the issuance thereof were contained in the bill and answer in said suit in the Western District of Pennsylvania, both could not be valid evidence of a monopoly grant to respondent Christensen, and that the first of them was valid and the second of them void."

Thus the fact was acknowledged by respondents in this proceeding that the Circuit Court of Appeals for the Third Circuit was given by them the full power to determine the issue and question of the validity of patent, No. 635,280, upon the merits,—notwithstanding any pleading or assertion on their part that such issue and question had been already decided by an alleged final decree of the District Court in Wisconsin, affirmed by the Circuit Court of Appeals for the Seventh Circuit, or that such decree in the Wisconsin suit was *res judicata*.

The statement in answer here (Rec., 11), that the first patent was held valid is, however, without foundation. (Rec., 112, 113.)

3. PROCEEDINGS TAKEN BY PETITIONER, NATIONAL BRAKE & ELECTRIC COMPANY, TO GET THE BENEFIT IN THE WISCONSIN SUIT OF THE FINAL JUDGMENT IN ITS FAVOR IN THE PENNSYLVANIA SUIT.

(a) *Petitioner's Application in This Case to the District Court and Its Refusal.*

On March 9, 1917, counsel for the petitioner here served notice on counsel for plaintiffs in the Wisconsin suit that on March 16, 1918, the defendant would move in the District Court to dismiss the bill of complaint, upon the ground that all of the issues in the case had been finally adjudicated in the defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania, in the suit between the plaintiffs and the Westinghouse Traction Brake Company, with which said defendant the National Brake and Electric Company was in privity; and in support of said motion filed therewith the transcript of the record in the Pennsylvania suit. (Rec., 16, 17 to 241.)

On July 26, 1918, the District Court for the Eastern District of Wisconsin denied said motion. (Rec., 242-252.) The conclusion of the court was that it was not bound to respect the ruling in the Third Circuit "as effective to annul the proceedings still pending here, and, in effect, to overthrow the adjudication here made in Christensen's favor." (Rec., 250-251.)

The court was content to place his ruling upon the ground set forth, and did not consider the contention, which was made by counsel for the plaintiffs, that the defendant's motion "can in no event be entertained in this court." (Rec., 251.) But the point was there made

by the plaintiffs, that the District Court was not the tribunal which could entertain such an application.

(b) *Petitioner's Application Here in Question to the Circuit Court of Appeals.*

Following this, the petitioner, the National Brake and Electric Company, on August 19, 1918, upon notice to respondents, presented and filed its motion and petition, which is here under review, in the Circuit Court of Appeals for the Seventh Circuit, and obtained a rule to answer same, and answer of respondent was filed September, 1918. (Rec., 1-13.)

Our petition in the Court of Appeals sets forth the facts above stated as to the Pennsylvania suit and its issues, and the proceedings in and determination thereof and the final decree therein, and prayed:

For an order directing the dismissal by the District Court of the Wisconsin suit at plaintiffs' costs, upon the ground that all the issues had been finally determined in defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court in the Pennsylvania suit of the plaintiffs against the Westinghouse Traction Brake Company, with which company petitioner was in privity (Rec., 1-2);

That the Court of Appeals take jurisdiction and cognizance thereof and inquire into the status of said case and as to the force and effect of said final judgment and order in said Pennsylvania suit, and find and adjudge that the same was and is a final adjudication against said patent 635,280, and that the said patent was and is invalid and void;

That said Court of Appeals adjudge that said final decree in the Pennsylvania suit is a final and binding adjudication against Christensen of the merits of said suit as to patent 621,324, binding upon him and those claiming under him in this suit, and that defendant is entitled thereon to a final decree in

said Wisconsin suit dismissing said suit for want of equity and that said District Court last mentioned be directed to proceed to act accordingly;

That the Court of Appeals make such order in the premises and issue such writs of certiorari or otherwise as might be necessary or proper, ordering and directing said District Court to enter such orders or to certify such records and proceedings to the Court of Appeals for such consideration and determination as would seem to the Court of Appeals proper;

For such other and further or different orders, directions, writs or relief, as, the premises considered, to said Court of Appeals should seem proper or necessary, to the end that the rights and equities of the said petitioner be secured and enforced. (Rec., 5-6.)

(c) *Respondents' Answer to Said Petition.*

The respondents, Christensen and Allis-Chalmers Co., answered said petition or motion (Rec., 7-13); and therein

1. Admit said Wisconsin suit is now pending in the District Court;

2. Deny that all or any of the issues therein have been finally determined in favor of petitioner by the Court of Appeals for the Third Circuit or by the District Court for the Western District of Pennsylvania, in the action against the Westinghouse Traction Brake Company;

And deny that respondents or either of them were or are in privity with said Brake Company.

3. Consent that petitioner may refer to the records on said appeal No. 2163.

4. Admit the entry of decree in Wisconsin suit.

Allege issuance to Christensen of patent 621,324 and that patentee, about September, 1899, discovered that same was erroneous in containing a fugitive sheet of drawings, and returned said patent to the Commissioner of Patents, together with a letter and petition, refusing to accept such patent and request-



ing same be canceled, and requesting new letters patent be issued to him in conformity with the record of the case in the Patent Office and that the commissioner complied with said request and broke the seal of said letters patent, and marked or caused the same to be marked canceled; and that on or about October 17, 1899, and under that date issued Patent No. 635,280, in all respects identical with patent 621,324 except as to date and date of expiration and the omission of said fugitive sheet, for 17 years from October 17, 1899.

5. Admit filing of bill against Westinghouse Traction Brake Co. as alleged. Deny that respondents, or either, were or are in privity therewith. Admit Brake Company answered said bill.

Deny that said suit presented same or similar issues as, and allege it presented other and different issues from, the Wisconsin suit.

6. Deny that said Pennsylvania suit came on for hearing upon pleadings and proofs or that there was ever any trial, hearing or determination therein, but allege that when said suit was reached on the calendar it was dismissed without prejudice on motion of plaintiffs, February 24, 1917.

Allege filing by petitioner of petition for writ of certiorari or mandamus in the Court of Appeals for the Third Circuit, and that the proceedings therein were had and taken by the consent of the parties and not otherwise, and that the said Court of Appeals determined on July 3, 1917, that as between said patents 621,324 and 635,280 and in so far as the allegations as to the issuance thereof were contained in the bill and answer in that suit, both could not be valid evidence of a monopoly grant to Christensen, and that the first was valid and the second void; that the mandate of said Court of Appeals thereon directed said District Court to enter a decree dismissing the bill as to Patent 635,280 only, and left pending before said court for further disposition said bill and all issues as to validity and infringement of said grant of patent monopoly to Christensen, and particularly as evidenced by

Patent 621,324; and that on October 1, 1917, pursuant to said mandate, a decree as to said Patent 621,324 was entered.

7. Allege that on same date, October 1, 1917, said District Court also entered a decree dismissing said suit as to Patent 621,324 for want of prosecution and that said decision was not on the merits; and that said order was entered without notice to respondents, and without any hearing or determination of the merits.

That thereafter petitioner Brake Company, not being satisfied with such decree of dismissal, applied for decree upon the merits as to Patent 621,324, and in form obtained same January 7, 1918, but the same was vacated upon the ground that said decree was contrary to the facts in adjudicating the merits, whereas there had been no trial or adjudication thereof; and said decree of January 7, 1918, was set aside and the decree of October 1, 1917, recognized as of full force by decree dated March 11, 1918.

That thereafter said Brake Company filed in the Court of Appeals for the Third Circuit a supplemental petition for mandamus and certiorari to review the decree last referred to, and that thereon said Court of Appeals June 3, 1918, affirmed the action of the District Court in refusing to enter any decree upon the merits of said monopoly grant and patent.

8. Consent that petitioner may include in the record upon its said petition, the motion and proceedings of the District Court and Court of Appeals in the Pennsylvania suit.

9. Allege petitioner on March 9, 1918, moved in District Court in the Wisconsin suit to dismiss the bill for the same reasons as are now set up in its instant petition, and that hearing was had and said District Court filed a written opinion July 26, 1918, and entered an order on July 31, 1918, denying said motion, which order has never been modified or set aside and is in full force and is a binding and conclusive adjudication as between the parties of the rights of the parties to have said suit.

Equity No. 474, continue, and is *res adjudicata* as to all questions therein raised and submitted by petitioner to District Court and determined by it.

Allege that in making said motion to dismiss in the Wisconsin suit, petitioner elected to submit said issue to a competent tribunal and that its action amounts to an election of remedies, and estops petitioner from denying the validity of the decision, and that same is binding upon it in this proceeding and elsewhere.

Deny that Court of Appeals has any power or jurisdiction to entertain the motion and petition, or to set aside or modify or disregard the decree of said District Court of August 21, 1914, or its own mandate and decree of October 5, 1915, and allege that same and each is a valid decree and binding on parties hereto; and deny that the decree of the District Court in the Pennsylvania suit is an adjudication that Christensen's monopoly grant and patent is void, or that it is binding on the parties hereto or in anywise affects proceedings in the Wisconsin suit, or that the rights of respondents are in any way affected thereby.

11. Allege that the validity of Patent 621,324 has been duly adjudicated by the District Court in the Wisconsin suit, Equity No. 474, and by the Court of Appeals upon said appeal therefrom, No. 2163, and that there is a sufficient decree under which an accounting for profits and damages for infringement of Patent 621,324 can be had.

Pray that in so far as the Court of Appeals may determine that it is advisable or necessary that said decree of the District Court in Wisconsin of August 21, 1914, Equity No. 474, and the opinion and mandate of the Court of Appeals on appeal therefrom, No. 2163 should refer to the grant of patent monopoly right in Christensen without reference to any particular patent number, or should refer specifically to Patent 621,324, same may be amended so as to specifically refer thereto.

12. Allege that in said Wisconsin suit, proceedings have been going on since the entry of said de-

cees of August 21, 1914; a large amount of testimony has been taken, and the master has made findings and determination of the principal portion of the issues involved; and respondents are now engaged in taking rebuttal testimony which is not yet completed.

Admit that the bill of complaint alleges marking under Patent 635,280 and allege that petitioner has made no claim of want of knowledge or notice in proceedings prior to the decree of August 21, 1914, and did not raise the question of want of notice before the District Court or the master and that said want of notice, if any, has been waived and abandoned; and that there is conclusive proof in the record that the defendant had due knowledge and notice under the statute of Patent 621,324 and Patent 635,280 prior to infringement; that it wantonly infringed after notice and that there was no issue in said suit as to plaintiffs' marking under the said patents and consequently no necessity of taking proofs thereon.

Allege that after entry of decree of October 1, 1917, petitioner proceeded until March 9, 1918, with putting in testimony before the master in said Wisconsin case, and made no motion based on said decree until after it had completed its testimony, and that its proceedings therein and delay in filing its petition has been undue and amount to waiver and lack of diligence and laches, and bar it from raising any question thereon.

13. Allege said accounting is lawfully proceeding and that petitioner is estopped from denying same by said order of District Court of July 31, 1918.

14. Deny that at and before entry of said decree of October 1, 1917, in the Pennsylvania suit, or at any other time, all the facts necessary to a final decree upon the merits of Patent 621,324, and as to its validity, were of record in the allegations of the bill and admissions of the answer, or that there was merely left the determination of legal questions arising thereon. Deny that prior to the entry of said de-

ersee said petitioner presented a record before said court and motion for judgment in its favor upon the merits of Patent 621,324, or ever obtained any judgment thereon or on the merits of the said controversy; but allege that no trial or determination as to the merits or validity of said grant and monopoly as to Patent 621,324 was ever had in said Pennsylvania suit.

15. Request Court of Appeals to adjudge it has no jurisdiction of the petition of petitioner and refuse to take jurisdiction; and that it adjudge that its decree and that of the District Court in the Wisconsin suit holding the patent and monopoly right of respondent Christensen to be valid and infringed, and for an accounting of profits and damages, is a final decree and binding upon the parties; and that the proceedings of the District Court in the Pennsylvania suit are not binding on respondents as privies of the Westinghouse Traction Brake Company, and are not final and binding adjudications of the merits of the controversy between the parties to the Wisconsin suit; and that, if it thinks it necessary or proper, it make such order and direction as may be proper amending said decree of the District Court in the Wisconsin suit and the opinion and mandate of this Court of Appeals on appeal therefrom No. 2163, so that the same shall refer to the grant of patent monopoly right in Christensen without reference to any particular patent number, or, in the alternative, shall refer specifically to Patent 621,324, and that it make such further order and direction as may be fit and proper permitting said District Court for the Eastern District of Wisconsin to proceed and determine the accounting proceedings now pending before it in said action Equity No. 474. (Rec., 7-13.)

It will be observed of respondents' answer that while they deny the jurisdiction of the Court of Appeals, on our petition, to set aside or modify the decree in question because of its finality,—they themselves thereby asked that court to make such order and direction for

its modification as they specify; and thereby they admit such jurisdiction. (Rec., 12-13.)

A stipulation was entered into between the parties in the Court of Appeals as to matters of the record which might go into the record for the Circuit Court of Appeals in this proceeding. (Rec., 15-17.)

#### 4. IDENTITY OF ISSUES AND PRIVACY OF PARTIES IN THE WISCONSIN AND PENNSYLVANIA SUITS.

##### (a) *The Identity of Issues in the Wisconsin and Pennsylvania Suits.*

As above shown (*supra*, pp. 8, 9), the issues in the Wisconsin and Pennsylvania suits, as to Patents 621,324 and 635,280, were identical.

The issue as to the validity of Patent 635,280, which was decided by the Circuit Court of Appeals for the Third Circuit, was, as that court held (Rec., 107-108) presented in that case upon the pleadings,—the material facts on which the question of its invalidity turned, being alleged in the bill of complaint (Par. Third, Rec. 58-60), and admitted—and its invalidity asserted—by the answer. (Pars. 1 and 3, Rec., 67, 68.) Again these material facts upon which the District Court then might and ought,—and the Court of Appeals did,—determine the invalidity of said Patent No. 635,280, were stipulated by the parties. (See, *supra*, pp. 9-10, Rec. 87-88.) The defendant by motion in that suit sought determination of this question by the District Court (Rec., 100, 104-5.) For error in that court's ruling and action in denying defendant's motions and dismissing the suit without prejudice on plaintiff's motion, the Circuit Court of Appeals reversed its decree and they de-

terminated that issue and held Patent 635,280 to be invalid. (Rec., 108-109, 111-112.)

In the Wisconsin suit the same issue was presented by the pleadings for determination upon like allegations in the amended bill there (Par. Third, Rec., 19-20); and in the answer (Par. V, Rec., 27-28), as in the Pennsylvania suit.

In other words, the precise issue as to the validity of said second patent was presented in the same manner in each of said suits. The Wisconsin court by interlocutory decree found the patent valid; the Pennsylvania court by final decree adjudged said patent invalid.

(b) *Privity and Practical Identity of the Defendants in the Two Suits.*

There was uncontradicted testimony, taken on behalf of plaintiffs in the Pennsylvania case, and also given in the accounting in the Wisconsin case, that the Westinghouse Traction Brake Company, defendant in the Pennsylvania suit, has been, since July, 1911, the owner of all the capital stock of the petitioner here, National Brake and Electric Company, defendant in the Wisconsin suit. (Rec., 125-126, 135-136, 138.)

Such capital stock of petitioner was transferred to the Westinghouse Traction Brake Company in 1911 by its former owner the Westinghouse Air Brake Company, for the reason that the Traction Brake Company was engaged in the sale of traction brake apparatus, which was manufactured partly at Milwaukee and partly at Wilmerding, it being then contemplated that the Westinghouse Traction Brake and National Brake and Electric Companies might be thus practically consolidated so that the Traction Brake Company would have its own manufacturing plant. (Rec., 158-159.)

No formal consolidation of the Traction Brake Company, a New Jersey corporation (Rec., 158) and the petitioner, a Wisconsin corporation (Rec., 157), could have been contemplated. Petitioner manufactured for and sold to the Traction Brake Company. (Rec., 133-134, 137-138.)

The Traction Brake Company was organized in 1901 to carry on that part of the business of the Westinghouse Air Brake Company which was directly concerned with equipment for traction or electrically operated railways (Rec., 158); and the Westinghouse Air Brake Company has owned the stock of the Traction Brake Company since the organization of said last named company in 1901; and so owned the stock of both the Traction Brake and National Company when it transferred the capital stock of the National to the Traction Brake Company in 1911, which constituted a virtual consolidation. From that time the Traction Brake Company took and had charge of the sales department of the National Brake and Electric and provided it with money without interest, and for money advanced took new stock. (Rec., 128, 132, 136, 145-147, 163-164.)

Thus from a time prior to the filing of respondent's amended bill in the Wisconsin suit the Traction Brake Company owned all the capital stock of the National Company; financed it, and controlled the sales of its product.

Respondent Christensen testified in the Pennsylvania suit that the National Brake and Electric Company was a subsidiary of the Westinghouse Traction Brake Company, in that the defendant Westinghouse Company owned the stock of the said National Brake and Electric Company (Rec., 90, 96); and one of his counsel deposed that the depositions in the Wisconsin suit "show that the stock of the National Brake and Electric Company is owned and controlled by the same persons and concerns as is the stock of the defendant in the Pennsylvania suit,



or that both companies are subsidiaries of, or controlled by, the Westinghouse Air Brake Company." (Rec., 91-92.) These affidavits were made in January, 1917, shortly before the entry of the decretal order of the Pennsylvania District Court denying defendant's motion for judgment and granting plaintiff's motion to dismiss. (Rec., 100-104.) Shortly afterwards, on April 23rd, defendant Traction Brake Company presented its petition for a writ of certiorari.

So, we maintain, there can be no question that there was substantial identity and privity between petitioner here, National Brake and Electric Company, and defendant in the Pennsylvania suit, the Westinghouse Traction Brake Company; and that respondents showed they knew all about it when, on June 15, 1917, they submitted their case to the Circuit Court of Appeals for the Third Circuit for determination on the merits.

(c) *Christensen's Knowledge of Such Privity as Early as 1906.*

On March 26, 1906, the Westinghouse Air Brake Company purchased at trustees' sale from the trustee in bankruptcy of the National Electric Company at Milwaukee, the property of that company. The title was taken by the Wisconsin Brake and Electric Company which was organized by the Westinghouse interests under the laws of Wisconsin. (Rec., 156-157.) Upon such purchase and about March 30, 1906, Mr. H. H. Westinghouse and Mr. John F. Miller vice president of said Air Brake Company acting for such purchaser, met and conferred with respondent, Christensen, at Milwaukee and his counsel Mr. Bottum (who followed it up with correspondence), respecting the matter of an existing license from Christensen to the bankrupt company, which was among its assets so purchased, and the making of some arrangement whereby the purchaser and the successor of that company might continue to manu-

facture under Christensen's patents about 12 in number (Bottum's testimony, Rec., 122-123; Westinghouse, Rec., 150-153; Miller, id., 156-162; Master, id., 182-183.) Bottum, as he testified, then understood that Miller was connected with the Westinghouse Traction Brake Company—the Westinghouse Company “which looked after air brakes for electric cars.” (Rec., 122-123.) The Traction Brake Company, as we have shown, was that company (*supra*, p. 26, Rec., 158); and the statement in Bottum's letter to Mr. Westinghouse of April 5, 1906, following the conference, as to his understanding of the purpose of Mr. Westinghouse “that you intended to provide the combined orders obtained by your Pittsburgh and Milwaukee shops,” *i. e.*, the Westinghouse Traction Brake Company's shop at Pittsburgh and the Brake and Electric Company's shop at Milwaukee,—recognizes the identity of ownership of the two plants and companies.

Such negotiations resulted in agreements April 18, 1906, between Christensen and the Wisconsin Brake and Electric Company by which the Wisconsin Company transferred to Christensen all the licenses and rights in Christensen's patents acquired under the sale by the trustee in bankruptcy of said National Electric Co. and by which Christensen authorized the Wisconsin Company to dispose of complete product and use therefor material in process of manufacture in its possession; neither party to be estopped from asserting or denying validity of any of the patents. (Rec., 184-185.) A little later (June 20, 1906) the petitioner, National Brake and Electric Company having acquired the Wisconsin's property and rights and succeeded thereto,—Christensen agreed with petitioner as such successor to all the rights of said Wisconsin Brake & Electric Company, on some modifications of the agreement of April 18, 1906. (Rec., 183-188.) The Christensen knew of the Westinghouse ownership of the petitioner here from its inception.

From all this, we maintain that Christensen well knew in 1906, the privity between the petitioner here and the Westinghouse Companies,—Air Brake and the Traction Brake Companies, if that fact has any bearing upon the case.\*

\*If for any reason reference to the evidence is desired by this court, the evidence may be found at the following places in the record in testimony taken before June 15, 1917. We have arranged it by a subject index, the pages named being the *side* paging of the record;—in this varying from the notations elsewhere in this brief and argument:

#### EVIDENCE AS TO CHRISTENSEN'S KNOWLEDGE OF PRIVACY BEFORE DATE OF PENNSYLVANIA SUIT.

E. H. Bottum, Nov. 1, 1916, R. 137-140; R. 173-175.  
H. H. Westinghouse, R. 172-176.  
J. F. Miller, R. 185-186, Qs. 18-28.  
Christensen, R. 209, XQs. 76-77.  
Master's opinion, R. 215.  
License, Christensen to Wisconsin Brake & Electric Co., R. 218.  
License, Christensen to defendant, R. 219.  
Assignment, defendant to Christensen, R. 220.

#### EVIDENCE AS TO INTERRELATIONSHIP AND CONTROL.

E. H. Dewson, May, 1916, R. 131-136, Qs. 128-150.  
R. P. Tell, Oct. 25, 1916, R. 141, Qs. 20-21.  
R. P. Tell, Oct. 30, 1916, R. 149-150, Qs. 621-627.  
R. P. Tell, Oct. 31, 1916, R. 151, Qs. 658-659; R. 152, Qs. 665-677-679.  
R. P. Tell, Sep. 6, 1916, R. 153.  
R. P. Tell, Mar. 27, 1917, R. 163.  
W. K. Boyle, Mar. 1917, R. 188-191.

#### STOCK OWNERSHIP AND CONTROL.

R. P. Tell, Oct. 25, 1916, R. 141, Qs. 23-27.  
R. P. Tell, Sep. 6, 1916, R. 154.  
Spooner, plaintiffs' counsel, Sep. 6, 1916, R. 154.  
R. P. Tell, Mar. 26, 1916, R. 157.

#### INTERLOCKING DIRECTORATES.

R. P. Tell, Oct. 27, 1916, R. 145, Qs. 322-341.  
R. P. Tell, Oct. 30, 1916, R. 147, Qs. 457, 361; R. 151, Q. 664.

#### PAYMENTS TO COUNSEL AND OFFICERS.

R. P. Tell, Oct. 27, 1916, R. 142-144, Qs. 228, 256; R. 146, Qs. 442-456.

#### FINANCIAL SUPPORT.

R. P. Tell, Oct. 27, 1916, R. 144, Qs. 311-317; Qs. 319-321.  
R. P. Tell, Oct. 30, 1916, R. 151, Qs. 640-642.  
R. P. Tell, Sep. 6, 1916, R. 155.  
R. P. Tell, Mar. 26, 1917, R. 158-160, 162-163.  
W. K. Boyle, Mar. 27th and Apr. 6, 1917, R. 192-200.  
J. A. Spilbey, Apr. 6, 1917, R. 201-203.

#### IDENTITY OF SUBJECT MATTER AND ISSUES.

R. P. Tell, Sep. 22, 1916, R. 155-156.

## 5. STATEMENT OF QUESTIONS INVOLVED.

(a) As to the jurisdiction and power of the Circuit Court of Appeals for the Seventh Circuit to entertain the petition and application here in question. (Brief, *infra*, pp. 38-44.)

This question, we conceive, was first "at the threshold." The Court of Appeals entertained the petition, and sustained its jurisdiction, but denied the petition on the ground that the decree of the District Court of Wisconsin of August 21, 1914, adjudging Patent 635,280 to be valid was final upon that question—"final in essence",—and not interlocutory.

(b) Was the said decree of August 21, 1914, finally held by the Court of Appeals, or was it interlocutory and within the control of that court? (Brief, *infra*, pp. 44-54.)

(c) Was not the later final decree of October 1, 1915, in the District Court at Pittsburgh the first final decree upon that issue as to the validity of said second patent? (Brief, *infra*, pp. 55-56.)

(d) Is not the fact that the parties in the Pennsylvania suit agreed at the bar of the Court of Appeals for the Third Circuit "that the merits of the controversy should be heard in reference to the first two patents, Nos. 621,324 and 635,280, in that court,—such hearing there on the merits being accordingly had,—conclusive as between the parties there and their privies, that the merits as to the validity of the second patent had not already been finally adjudged in the Wisconsin case or in any case or court between the parties or their privies

Or, did not respondents—by agreeing at the bar of the Circuit Court of Appeals for the Third Circuit so to submit and by submitting the merits of the controversy to

that court,—open the decrees and orders in the Wisconsin suit adjudging and affirming the validity of the second patent,—even if they were final and not interlocutory decrees and orders? (Brief, *infra*, pp. 55-56.)

(e) Can the complainants in that case, after so submitting the question of the validity of said second patent to the judgment of the Court of Appeals in the Third Circuit and taking its judgment and mandate and the final decree of the District Court carrying out such mandate, be permitted to assert, as against such judgments, that the prior decrees in the Wisconsin suit are final adjudications? (Brief, *infra*, pp. 55-57.)

(f) The preceding questions assume privity. Were the defendants in the two suits in privity and was that fact of privity known to the respondents, when they submitted the question as to the validity of Patent 635,280 to the judgment of the Circuit Court of Appeals for the Third Circuit? (Brief, *infra*, pp. 58-62.)

(g) Should not the Circuit Court of Appeals at Chicago have recalled its own mandate and set aside its affirming order of October 5, 1915 (Rec., 50); and directed the District Court to vacate its decree of August 21, 1914, adjudging said second patent to be valid and infringed and for an accounting thereunder, and to enter a decree finding and adjudging said patent to be invalid? (Brief, *infra*, pp. 67-68.)

(h) What further judgment, order or direction, if any, for the disposition of the case, the premises considered, should the Circuit Court of Appeals have made or given, or should now be made or given?

Should the case be now finally disposed of and the suit be dismissed? Or, should the case be remanded for fur-

ther hearing or proceedings in the alternative case presented on the amended bill?

(i) As to what order or direction in the premises this Court should make.

## III.

## SPECIFICATION OF ERRORS.

1. The Circuit Court of Appeals erred in denying the petition of the National Brake and Electric Company, the petitioner here, and in not granting the same.

2. The Court of Appeals erred in holding and ruling that the decree of the District Court for the Eastern District of Wisconsin, of August 21, 1914, here in question (Rec., 39-40), was a final decree and in not holding and ruling that such decree was interlocutory only and not final.

3. The Court of Appeals erred in not holding and ruling that its own order affirming the said decree of the said District Court upon appeal (Rec., 50), was an interlocutory decree.

4. The Court of Appeals erred in not sustaining said petition of this petitioner and in not finding and ruling thereon that the petitioner, National Brake and Electric Company was privy to the said suit and the final decree of the District Court for the Western District of Pennsylvania of October 1, 1917, in said suit of Christensen and *Allis-Chalmers Co. v. Westinghouse Traction Brake Company*, and in privity with the said last named company with respect to the said decree last mentioned and the suit and proceedings in which said decree was made and entered, and entitled herein to the benefit of such final decree adjudging that the said second patent was invalid.

5. The Circuit Court of Appeals erred in not sustaining said petition of this petitioner and in not holding and ruling that the said decision and judgment of the Circuit Court of Appeals for the Third Circuit, upon the said issue and question as to the validity of said second

patent, which was so submitted to that court for decision upon the merits by the agreement of the parties, and said final decree of the District Court of the United States for the Western District of Pennsylvania in pursuance thereof and of the mandate issued thereon were a final adjudication that the said Letters Patent No. 635,280 were invalid and void and *res judicata* thereof in said Wisconsin suit, notwithstanding the said earlier decree of said District Court in Wisconsin and affirmance thereof by said Court of Appeals at Chicago; and in not giving due effect to said *res judicata* by proper directions to said District Court in Wisconsin or otherwise.

6. The Court of Appeals erred in not holding the said final decree in said Pennsylvania suit so to be *res judicata* in said Wisconsin suit and in not thereon recalling its own mandate and vacating and setting aside its own order of October 5, 1915, in said case therein. No. 2163, of *National Brake and Electric Co. v. Christensen and Allis-Chalmers Co.*, affirming the said interlocutory decree of said District Court of August 21, 1914, in such Wisconsin suit; and in not thereupon reversing the said decree of said District Court last mentioned, or directing said District Court to vacate and set aside its said order.

7. The Court of Appeals erred in not directing the said District Court for the Eastern District of Wisconsin to find and adjudge the said Patent 635,280 to be invalid and to set aside the said accounting therein proceeding under said patent.

8. The Court of Appeals erred in not recognizing and giving effect to said final decree in said Pennsylvania suit as *res judicata* as to the invalidity of said patent and in not thereon dismissing or directing said Dis-



trict Court to dismiss the said bill of complaint therein for want of equity.

9. In case this court rules that the duty of the Court of Appeals upon said petition of this petitioner, was to order or direct the District Court to decree to this petitioner, under the prayer of its petition, other or different relief, than that herein specifically asked, or to remand said cause for further hearing upon undetermined issues or for other proceedings, then, in the alternative, this petitioner says that the Circuit Court of Appeals erred in not so ruling and ordering.

## IV.

## BRIEF OF THE ARGUMENT.

1. THIS APPLICATION TO THE CIRCUIT COURT OF APPEALS WAS PROPER, AND ITS JURISDICTION IN THE PREMISES ☐ WILL ESTABLISHED.

(a) *Respondents admit and invoke the Jurisdiction of the Circuit Court of Appeals, the existence of which Jurisdiction they deny.*

In their answer to our petition in the Court of Appeals here in question, the respondents pray that court to make such order or direction as may be fit and proper "amending the aforesaid decree of the United States District Court for the Eastern District of Wisconsin of August 21, 1914, in said suit Equity No. 474 and the opinion and mandate of this court on appeal therefrom No. 2163," etc. (Rec., 13.)

(b) *The Propriety of this Application to the Court of Appeals and the Jurisdiction of that Court to entertain our Motion at that stage of the Proceedings is, as we conceive, well grounded in the authorities.*

Notably such a case is *In re Potts*, 166 U. S., 263, taken in connection with the history of the case as shown in *Potts v. Creager*, 44 Fed., 680; *Potts v. Creager*, 155 U. S., 597; *Potts v. Creager*, 71 Fed., 574, and 77 Fed. 454, and 97 Fed., 78.

The contention in the answer of the respondents in the Court of Appeals (Rec., 10) that the ruling of the District Court denying our motion there (Rec., 17) was *res judicata* is obviously unavailing; as are their contentions (1) that our action in applying to that court was

an election of remedies, and estops us from denying the validity of its decision; and (2) that the Court of Appeals was without power or jurisdiction to entertain such motion and petition. (Rec., 10-11.)

The ground of objection, which was made by the plaintiff-respondents, to our motion in the District Court—that that court was without jurisdiction to entertain said motion—may have been well taken, for the reason that the District Court could not set aside its affirmed decree without authority of the Court of Appeals which had affirmed it. *In re Potts*, 166 U. S., 263; *In re Gamewell Co.* (C. C. A., 1st Cir.), 73 Fed., 908, and cases there cited.

But the contention that an application for certain action or relief to a court without any power to grant the relief works an “estoppel” from thereafter applying to a court with such power, is without basis in authority or reason.

In the *Gamewell case*, *supra*, in like situation, the defendants had applied to the Circuit Court before applying to the Circuit Court of Appeals, but the Court of Appeals entertained the application there.

Assuming, as we here for this purpose now do, that the decree of the District Court of August 21, 1914, in the Wisconsin suit, was interlocutory and not final, and that its affirmance by the Court of Appeals did not make such decree final,—we submit that our application to the Court of Appeals was the proper practice. In the *Potts case*, 166 U. S., 263, this court held that the Circuit Court had no authority, after the case was remanded from this court to that court with directions to dismiss the bill, to deviate “without express leave of this court” from the directions of this court, and therefore could not, without such leave, entertain a petition for rehearing for newly discovered evidence; but said that if application was made

to this court for leave to apply to the Circuit Court within twenty days, for a rehearing in the case (the relief sought), it would be considered. The later report of the same case in *Potts v. Creager*, 97 Fed., 78, shows that application to this court was made and was granted, and that such permitted application was made to the lower court for a rehearing and was there granted. We submit that that case is analogous to ours so far as the proper method of procedure goes.

Indeed, as we shall show later (*infra*, pp. 45-50) the *Potts case* is a direct authority that the decree of August 21, 1914, was an interlocutory decree only and not a final decree.

We also cite:

*Southard v. Russell*, 16 How., 547, 570-571.

*Kingsbury v. Buckner*, 134 U. S., 650, 671.

*U. S. v. Knight's Admr.*, 1 Black, 488, 489.

*Franklin Bank v. Taylor* (C. C. A., 7th Cir.), 53 Fed., 854, 866.

*Marden v. Campbell Co.* (C. C. A., 1st Cir.), 67 id., 809.

*Greene v. United Shoe Mach. Co.* (C. C. A., 1st Cir.), 124 Fed., 961.

*Seymour v. White Co.* (C. C. A., 7th Cir.), 92 Fed., 115.

*Firestone Co. v. Sieberling* (C. C. A., 6th Cir.), 245 id., 937.

In *McClellan v. Carland*, 217 U. S., 268, and *Barber Co. v. Morris*, 132 Fed., 945, this court and the Circuit Court of Appeals respectively held, as the principle governing the decisions, that notwithstanding views which had sometimes been expressed to the contrary, the appellate jurisdiction given to these courts included the right to issue directions and writs in aid of that jurisdiction, in

cases where such jurisdiction exists, although it had not yet been invoked, to the end that justice may be more speedily done.

We were in the Court of Appeals, and are here, asking the intervention of the court in the interest of a speedy ending of an expensive and wasteful litigation, in which we conceive we are entitled to a decision recognizing and giving effect to a final adjudication upon the merits in another jurisdiction,—relief to which we might not be entitled to ask in the District Court so long as previous interlocutory directions of the Circuit Court of Appeals at Chicago, made prior to such final adjudication, are unmodified.

(c) *The Circuit Court of Appeals here entertained our application and decided it, and while not advertng to the point made by the respondents in their answer, that the Court of Appeals had no power or jurisdiction to entertain such motion and petition (Rec., 10-11), its action in entertaining it was in effect to overrule the respondents' point and to sustain its own jurisdiction; and if our application there was an appeal to its discretion, that court exercised its discretion in our favor.*

In the case at bar, an expensive accounting proceeding is going on before the master under Letters Patent 635,280, as directed by the interlocutory decree of the Wisconsin District Court, although such patent has been adjudged to be void by the final decree of another court. Clearly we are entitled to assert at some point of the Wisconsin litigation (in case the decrees and orders there are interlocutory) the *res judicata* and bar of the Pennsylvania final decree adjudging such Patent 635,280 to be void. In this proceeding, as we have said, we have asked the intervention of the Court of Appeals to whose direction the proceedings in the District Court in the

Wisconsin suit were subject in the interest of a speedy ending of this expensive and wasteful litigation because of the alleged infringement of a void patent. The whole situation was before the Court of Appeals, and we submit the matter should have been there and should be now disposed of in the interest of speedy justice rather than await an appeal from the final decree of the District Court after the return of a master's accounting. Taking of such account under Patent 635,280 would be entirely useless if the recognition and effect to which, as we maintain, it is entitled, must at some time and in some proper form of proceeding, be given to the final decree in the Pennsylvania suit.

(d) *The Case is within the Ruling of this Court in the Hart Steel Case.*

That it was not a matter of discretion but was the proper function and duty of the Circuit Court of Appeals to consider and determine, upon our application, the question of the effect as *res judicata* of the Pennsylvania decree, without remitting that question to the District Court, was, as we maintain, covered and substantially decided by this court in the case of *Hart Steel Company v. Railroad Supply Co.*, 244 U. S., 294.

In that case, this court said:

"The question presented to the Circuit Court of Appeals for the Seventh Circuit by the petitioner's motion to affirm was whether or not the decree of the Circuit Court of Appeals for the Sixth Circuit was a final determination of the issues presented in the case pending and not argued in the Circuit Court of Appeals for the Seventh Circuit so as to be *res judicata* and binding on that court because of the identity of the subject matter and the claims and because of the privity of the parties."

The question presented to the same Circuit Court of

Appeals by the petitioner's motion here was the same, *mutatis mutandis*, as that presented in the *Hart case*, viz.: Whether or not a decree of the Circuit Court of Appeals for the Third Circuit was a final determination of the issues presented in the case pending in the District Court for the Eastern District of Wisconsin, upon an accounting following the entry of the interlocutory decree affirmed by the Circuit Court of Appeals.

In the *Hart case* this court looked at the record and found therefrom (and ruled that it was the duty of the Court of Appeals at Chicago to find), the facts of (1) the final determination by the Court of Appeals for the Sixth Circuit in the Elyria case (2) the identity of issues in that case and the *Hart case* and (3) the privity between defendants in the two cases.

The only difference to be found between that case and the case at bar is, that the *Hart case* was pending in the Court of Appeals undecided when the *res judicata* decree in the Sixth Circuit was presented by motion to affirm,—while in the instant case, the Court of Appeals had affirmed the interlocutory order of the District Court, and the case was pending in the District Court on the accounting before the master.

But the decretal order of the District Court was no less interlocutory after the Circuit Court of Appeals refused to reverse and affirmed it than it was before.

Obviously, the respondents were bound to such a consideration of it by the court herein, by reason of their consent to the hearing in the Circuit Court of Appeals for the Third Circuit in the certiorari proceedings there. (Rec., 8-9, 109; *supra*, pp. 13, 19-20.) We shall later give further consideration to that question. (*Infra*, pp. 51-53.)

The Court of Appeals here, however, did not decide

that it did not have the power or that it was not its duty to entertain our application for relief, if the District Court decree in question were interlocutory; but mere that the decree of the District Court of September 2, 1914, was final and *res judicata* and not interlocutory.

2. THE DECREE IN THE MILWAUKEE SUIT SUSTAINING THE SECOND PATENT NO. 635,280, WAS INTERLOCUTORY ONLY AND NOT FINAL.

(a) *The Statute and this Court have so designated such Decrees.*

The statute—Sec. 129 of the Judicial Code,—which alone authorized the appeal from that decree, characterizes the decree as interlocutory, and provides for such appeal only when and because the decree is interlocutory. In *Smith v. Vulcan Iron Works*, 165 U. S., 518, and many other cases, this court has so designated it.

If it were a final decree, an appeal would lie under Section 128 of the Judicial Code which covers all final decisions. It is because such a decree is not final that this court long ago and uniformly has ruled it was not appealable prior to the enactment of Section 7 of the Circuit Court of Appeals Act, now embodied in Section 1 of the Judicial Code.

It is settled by many decisions of this court that the decree of the District Court here in question is an interlocutory decree and not a final decree.

*Barnard v. Gibson*, 7 How., 650, 657.

*Humiston v. Stainthorp*, 2 Wall., 106, 110.

*Winthrop Iron Co. v. Meeker*, 109 U. S., 180.

*Cornely v. Markwald*, 131 U. S., 159.

*Keystone Iron Co. v. Martin*, 132 U. S., 91.

*St. German v. Brunswick*, 135 U. S., 227.



*Yale Lock Co. v. Berkshire Bank*, 135 U. S., 342.

*McCreary v. Penn. Canal Co.*, 141 U. S., 459.

*Magowan v. New York Belting Co.*, 141 U. S., 332, 337.

*McGourkey v. Toledo & O. Ry.*, 146 U. S., 536.

*Ex parte National Enameling Co.*, 201 U. S., 156.

This rule was so settled, not merely "for the purposes of appeal or writ of error"; or as a question of "procedural law,"—as the Court of Appeals conceives (Rec., 257, 258),—but of "substantive law." This is shown by the court's ruling in *McGourkey v. Toledo & O. Ry.*, 146 U. S., 536, 541-551, which did not involve a question of appealability, but (as here) the question as to the *finality* of a decree as a determination of the rights of the parties, "which it was not in the power of the court at a subsequent term to disturb." The court, in its opinion by Mr. Justice Brown, said (*italics ours*):

"(1) We are confronted upon the threshold of the case with the proposition that the decree of June 9, 1885, ordering this property to be turned over by the receiver to the petitioner, was a final decree, which it was not in the power of the court at a subsequent term to disturb, and hence that the court was estopped to render the decree of February 4, 1889, from which this appeal was taken, at least in so far as it assumed to upset the title of *McGourkey*."

Probably no question of equity has been the subject of more frequent discussion in this court than the finality of decrees. It has usually arisen upon appeals taken from decrees claimed to be interlocutory, but it has occasionally happened that the power of the court to set aside such a decree at a subsequent term has been the subject of dispute. The cases, it must be conceded, are not altogether harmonious. Upon the one hand it is clear that a decree is final, though the case be referred to a master to execute the decree by a sale of property or otherwise, as in the case of the foreclosure of a mortgage. *Ray v. Law*, 3 Cranch, 179; *Whiting v. Bank of the United*

*States*, 13 Pet. 6; *Bronson v. Railroad Co.*, 2 Black, 524. If, however, the decree of foreclosure and sale leaves the amount due upon the debt to be determined, and the property to be sold ascertained and defined, it is not final. *Railroad Co. v. Swasey*, 23 Wall. 405; *Grant v. Phoenix Insurance Co.*, 106 U. S. 429. A like result follows if it merely determines the validity of the mortgage, and, without ordering a sale, directs the case to stand continued for further decree upon the coming in of the master's report. *Burlington, Cedar Rapids, etc., Railway v. Simmons*, 123 U. S. 52; *Parsons v. Robinson*, 122 U. S. 112.

*It is equally well settled that a decree in admiralty determining the question of liability for a collision or other tort (The Palmyra, 10 Wheat. 502; Chace v. Vasquez, 11 Wheat. 429; Mordecai v. Lindsey (The Mary Eddy), 19 How. 199), or in equity establishing the validity of a patent and referring the case to a master to compute and report the damages is interlocutory merely. Barnard v. Gibson, 7 How. 650; Humiston v. Stainthorp, 2 Wall. 106.*

It may be said in general that if the court make a decree fixing the rights and liabilities of the parties, and thereupon refers the case to a master for a ministerial purpose only, and no further proceedings in court are contemplated, the decree is final; but if it refer the case to him as a subordinate court and for a judicial purpose, as to state an account between the parties, upon which a further decree is to be entered, the decree is not final. *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 283."

The case at bar was not merely a suit for an injunction, but before the prayer for the injunction, the amended bill prays for an account and recovery of profits and damages, as follows:

"(5) That the defendant may be decreed to account for and pay to the plaintiffs the profit or income unlawfully and wrongfully derived from the violation of the plaintiffs' said rights; and, that upon entering the decree against defendant for infringement, the court may proceed to assess or cause to be assessed under its direction, in addition to the

unlawful profits or income to be accounted for by the defendant as aforesaid, the damages plaintiffs have sustained by reason of such infringement and that the court may increase the actual damages so assessed to a sum equal to three times the amount of such assessment, under the circumstances of the unlawful and unjust infringement by the defendant as hereinbefore set forth." (Rec., 25.)

It is submitted that no decree could be final until this—the main object of the suit—should be thereby determined. At the time of filing the amended bill, over fourteen and a half years of the period of the alleged patent had expired, and at the entry of the decree of August 21, 1914, for an injunction and accounting (Rec., 40), only one year and seven months were left of said period;—so that the decree for recovery of profits and damages for a period reaching back of the institution of the suit in December, 1906 (Rec., 22-23),—and not an injunction against infringement,—was the important end.

(b) *The Ruling of this Court in the Potts Case is a Direct Authority that the Decree of the District Court at Milwaukee was Interlocutory and not Final.*

In the *Potts case*, at its October term, 1894, this court,—upon appeal from a decree of the Circuit Court holding a patent void and dismissing the bill for infringement,—held the patent to be valid and reversed the decree of the lower court and remanded the case for further proceedings in conformity with the opinion of the Supreme Court, 155 U. S., 597.

At the February term, 1895, of the Circuit Court, the mandate of the Supreme Court was received; the patent was held valid; and as the report in the Circuit Court (71 Fed., 574) says:

"On the coming down of the mandate this court

entered an interlocutory decree granting an injunction and accounting."

That "interlocutory decree" was entered on February 28, 1895, at the February term, 1895, of that court. It was the same character of decree as was the Wisconsin decree here in question. It was a final decree if the Wisconsin decree here was final.

And if it was a final decree, then the later action of this court in March or April, 1897 (hereinafter referred to), granting leave to the Circuit Court to entertain an application for a rehearing on newly discovered evidence, and the action of the Circuit Court in entertaining such application—all at so late a period—were beyond the court's jurisdiction.

The master to whom the accounting had been referred, filed his report and account of profits on July 16, 1895. No action was taken by the court on that report. (See 166 U. S., 263.)

There was a term of the Circuit Court beginning October 1, 1895; and at that term on November 29, 1895, the defendants filed a petition for leave to file a supplemental bill to bring in newly discovered evidence; and for a rehearing.

On the ground expressly that the decree for the injunction and account was an interlocutory, not a final decree, the Circuit Court at that term (January 15, 1896) held that it was "not a case for a supplemental bill," but held over objection that *as it was an interlocutory decree*, a petition for rehearing should be allowed saying:

"The opinion of the Supreme Court will of course be recognized *as the law of the case* and unless the defendants upon the matters suggested in the application for rehearing, can make a case radically

different from that presented to the Supreme Court the rehearing will not avail." (71 Fed., 574.)

There were terms of the Circuit Court beginning February 4, 1896, April 7, 1896, and October 6, 1896.

At the October term, 1896 (on November 23, 1896), the Circuit Court handed down an opinion holding (on the new evidence) the patents invalid, and on December 21, 1896, entered a new decree dismissing the bill. (77 Fed., 454, 166 U. S., 263.)

By an original proceeding in the U. S. Supreme Court at its October term, 1896 (on January 4, 1897), the complainants applied to the Supreme Court for a mandamus on Judge Sage of the Circuit Court commanding him "to execute the mandate of the Supreme Court, and to set aside orders made by him after receiving the mandate and inconsistent therewith,"—referring to the mandate containing the decision reported in 155 U. S., 597.

This petition was argued in the Supreme Court March 1, 1897, and decided March 15, 1897. (166 U. S., 263.)

The Supreme Court said:

"Upon the question whether an application for leave to file a petition for a rehearing in the Circuit Court could and should be entertained by *this* court at the present stage of the case, no opinion is expressed, because no such application has been made. Unless such an application shall be made to *this* court within twenty days and shall upon consideration be granted by this court, an order will be entered that the writ of mandamus issue as prayed for."

The Supreme Court said elsewhere in its opinion:

"The case \* \* \* was originally heard in the Circuit Court, not merely upon a question of pleading, but upon the whole merits. That court at a hearing upon pleadings and proofs involving the questions of the novelty of the alleged invention, and of its infringement by the defendants, entered a

final decree dismissing the bill. Upon the appeal from that decree, both these questions were presented to and considered by this court, and were by it decided in the plaintiff's favor. Its decision of those questions in that way was the ground of its opinion, decree and mandate, reversing the decree of the Circuit Court, dismissing the bill and remanding the cause to that court for further proceedings in conformity with the opinion of this court. *The decision and decree of this court did not amount in deed technically speaking, to a final judgment, because the matter of accounting still remained to be disposed of. But they constituted an adjudication by this court of all questions whether of law or fact involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed.* \* \* \* When the merits of a case have been once decided by this court on appeal, the Circuit Court has no authority, *without the express leave of this court*, to grant a new trial, a rehearing or a review or to permit new defences on the merits to be introduced by amendment of the answer."

We learn from an opinion of the Circuit Court of Appeals for the Sixth Circuit, filed October 23, 1899 (97 Fed., 78), that "thereupon" the Circuit Court restored the decree of February 26, 1895,

"which it had without authority set aside, and the defendants applied to the Supreme Court for leave to file a petition for rehearing on the same grounds already irregularly presented to the Circuit Court. Leave was granted. A petition for rehearing was filed in the Circuit Court, and the Circuit Court Judge Sage presiding, upon a rehearing, set aside the former decree and again dismissed the bill."

(It was this second decree dismissing the bill upon the petition for rehearing, from which the appeal was taken to the Circuit Court of Appeals of the Sixth Circuit, which was decided by that court, October 23, 1899 and reported in 97 Fed., 78. The Circuit Court of

Appeals affirmed the decree in part and reversed it in part.)

It is impossible to ascertain from the reports exactly when these last steps in the Circuit Court were taken, because there is no report of them except in the opinion of the Circuit Court of Appeals before quoted.

But by that opinion it appears that the decree of February 26, 1895, was entered by the Circuit Court *before* the leave was obtained from the Supreme Court to file a petition for rehearing, and as that leave had to be applied for according to the declaration of the Supreme Court within 20 days from March 15, 1897,—we know that the decree was restored in the Circuit Court in its term beginning February 2, 1897, and that the Supreme Court granted the leave to entertain the petition for rehearing in the October term, 1896, of the Circuit Court, and within 20 days after March 15, 1897.

When the decree was again set aside by the Circuit Court, and the bill dismissed for the second time, we do not know; but the appeal taken from that dismissal was not decided by the Circuit Court of Appeals until October 23, 1899, and we may safely assume that the case was not and could not have been reheard in the Circuit Court *before* the term of said Circuit Court beginning April 6, 1897.

Nor could the second petition for rehearing have been filed before the term beginning February 2, 1897.

It will be noted therefore that the Supreme Court on some date between March 15, 1897, and April 4, 1897, gave leave to the defendants to file a petition for rehearing on a decree which was entered in the Circuit Court February 26, 1895, and was practically required by the Supreme Court by order of January 7, 1895.

There was one whole annual term of the Supreme Court intervening between the one in which it ordered the decree in the Circuit Court, and the one in which it granted leave to file a petition for rehearing in said Circuit Court.

And there were at least five complete terms of the Circuit Court, to wit, those beginning,

April 9, 1895,  
October 1, 1895,  
February 4, 1896,  
April 7, 1896,  
and October 6, 1896,

which had passed after its decree of February 26, 1895, before the properly presented petition for a rehearing thereon was filed and allowed by it.

These proceedings were sanctioned by the Supreme Court. Had it considered the decree of the Circuit Court of February 26, 1895, a final one, it would not and could not have so sanctioned them for the equity rule then in force concerning rehearings was this:

"RULE 88.

\*     \*     \*     \*

No rehearing shall be granted after the term at which the final decree of the court shall have been entered and recorded, if an appeal lies to the Supreme Court. But if no appeal lies, the petition may be admitted at any time before the end of the next term of the court in the discretion of the court."

(Daniels Chancery Pleading and Practice, Vol. 3, page 2315, star page 2397.)

It follows that the Supreme Court decided that a decree ordering an injunction and reserving an accounting, was in fact an interlocutory decree, not only for purposes of appeal, but as an adjudication of rights.

The part of Judge Baker's opinion (Rec., 262), commenting on the action of the Supreme Court reported



166 U. S., 263, ignores and perhaps was written without knowledge of the subsequent leave granted to defendants and the subsequent history of the case.

(c) *With great respect, we submit that the Circuit Court of Appeals here has confused the rule of decision or practice, known as "the Law of the Case," with the Rule of Law as to the finality of the Decrees herein as res judicata so as to be beyond the control or power of the Court.*

In *Messinger v. Anderson*, 225 U. S., 436, 444, this court said,—italics being ours:

"The phrase, law of the case, as applied to the effect of previous orders on the later action of the court rendering them in the same case, merely expresses the practice of courts generally to refuse to reopen what has been decided, *not a limit to their power*. *King v. West Virginia*, 216 U. S. 92, 100; *Remington v. Central Pac. Railroad Co.*, 198 U. S. 95, 99, 100; *Great Western Telegraph v. Barnham*, 162 U. S. 329, 343. Of course, this court, at least, is free when the case comes here. *Panama R. R. v. Napier Ship Co.*, 166 U. S. 280; *United States v. Denver & Rio Grande R. R.*, 191 U. S. 84."

The Circuit Court of Appeals here, we submit, bases its authority for holding that the decree of August 21, 1914 (Rec., 39-40), was final "in essence" and *res judicata* upon cases applying the rule as to the law of the case. It was that rule as to the law of the case that was referred to by this court in its opinion in *Heike v. United States*, 217 U. S., 423, 430,—to which the Court of Appeals refers and from which it quotes (Rec., 257-258),—where this court said:

"It is true in a certain sense an order concerning a controlling question of law made in a case, is as to that question final," and that "many inter-

locutory rulings and orders effectively dispose of some matters in controversy."

The *Potts* cases, 155 U. S., 597, and 166 U. S., 263, illustrate

(1) The application there (166 U. S., 263) of "the law of the case,"—in holding that the Circuit Court could not, *without leave of this court*, so far deviate from the directions of this court given on the former appeal (155 U. S., 597), as to allow a petition for a rehearing after the Circuit Court had entered a decree sustaining the patent there in question and referring the case to a master for an accounting of profits and damages; and

(2) That it was within the power of this court in the spring of 1897 (more than two years after the entry of such decree in the Circuit Court), to give such leave, and within the power of the Circuit Court, with such leave, to allow a rehearing,—all of which would have been beyond the power of either court, if such decree were a final decree, and not an interlocutory decree which was within the power of the court to set aside; and

(3) That the decree here in question, of August 31, 1914,—which is in character like the decree which was entered in the *Potts* case upon the mandate of this court (except that the decree was not entered in accordance with any such mandate), is interlocutory and within (and not beyond) the court's power to set aside, and to rehear because of the event subsequently occurring, viz.: the final decree in the Pennsylvania suit adjudging the invalidity of Patent 635,280.

3. THE DECISION OF THE CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT AND THE DECREE ENTERED IN PURSUANCE OF ITS MANDATE BY THE DISTRICT COURT IN THE PENNSYLVANIA SUIT, CONSTITUTE THE FIRST FINAL DECISION UPON THE MERITS AS TO THE VALIDITY OF PATENT NO. 635,280.

RESPONDENTS ARE ESTOPPED BY THEIR CONSENT AND ACTION IN BRINGING IT ABOUT, FROM ASSERTING THE CONTRARY AND FROM ASSERTING THE WISCONSIN DECREE TO BE FINAL OR RES JUDICATA OR AN ESTOPPEL, AS AGAINST THE PENNSYLVANIA DECREE.

In *Metropolitan Water Co. v. Kaw Valley District*, 223 U. S., 519, this court held that where the Circuit Court of Appeals has authority to make a ruling which finally disposes of the case, and the defeated party does not successfully prosecute either the certification of the question of jurisdiction to this court, or a writ of certiorari from this court, the judgment of the Circuit Court of Appeals remains conclusive upon the parties and binding upon the District Court and any other court to which the case can be taken.

Admittedly, the Circuit Court of Appeals for the Third Circuit had authority to make a ruling which finally disposed of the issue and question as to the validity of the second patent, No. 635,280. It will be borne in mind that on the day set for the argument of the application in that court for a writ of certiorari to the District Court in the Pennsylvania suit, "Counsel for both sides appeared, and, after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally,

therefore,"—says the Circuit Court of Appeals in its opinion—"but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto. This agreement releases us from considering any preliminary question concerning the procedure, and we turn at once to the dispute concerning the respective validity of the first two patents." (Rec., 109.)

The answer of the respondents to our instant petition refers to the proceedings in the Circuit Court of Appeals for the Third Circuit, following the filing by petitioner of its petition for certiorari or mandamus, and alleges,—italics being ours:

"That thereafter such proceedings were had and taken therein that *by consent of the parties* and not otherwise the said Circuit Court of Appeals for the Third Circuit determined on July 3, 1917, that as between said patents numbers, respectively, 621,320 and 635,280, and in so far as the allegations as to the issuance thereof were contained in the bill answered in said suit in the Western District of Pennsylvania, both could not be valid evidence of a monopoly grant of respondent Christensen, and that the first of them was valid and the second of them void." (Rec., 9.)

While we deny that the court held the first patent valid (see Rec., 112), the answer here admits (and that is the immediate point for which we refer to it) that the Circuit Court of Appeals had authority to make the ruling upon the issue in question as to the validity of Patent No. 635,280, which finally disposed of the case. So that as we submit, the ruling of this court above referred to in case of *Metropolitan Water Co. v. Kaw Valley District*, *supra*, has direct application to and fits the case at bar.

We maintain here, therefore, that whatever otherwise the nature of the decree of August 21, 1914, in the *W.*

consin suit, which was affirmed by the Circuit Court of Appeals, might be considered to be,—the issue and question as to the validity of said second patent was so opened up and submitted for decision by the consent of the respondents in the Circuit Court of Appeals for the Third Circuit that the power of the Circuit Court of Appeals in the Pennsylvania suit, and the effect of its determination, could not be impaired or affected by any claim of estoppel or *res judicata* on the part of the defendants in or by the previous decree or decision in the Wisconsin suit. Respondents' solemn consent meant that there was no such estoppel or *res judicata*. There could be none, if the Court of Appeals were given the right to determine the issue of validity on the merits upon the record there.

In other words—assuming for the purpose of this question under consideration, that the petitioner here (and its privies) were estopped by the decree in the Wisconsin suit, because it was a final decree, or otherwise, from asserting the invalidity of said Patent 635,280,—that estoppel was waived by respondents and removed and the matter set free therefrom by such agreement and action of respondents in submitting the question as an open one to the Circuit Court of Appeals in Pennsylvania; and the final decree in that suit that said patent was invalid became an estoppel and *res judicata* as against respondents in favor of the defendant there and its privies.

*Tibbits v. Shapleigh*, 60 N. H., 487, 491.

*Page v. Smith*, 10 Ore., 410.

*Wheelock v. Henshaw*, 19 Pick. 341, 345.

*Thurlough v. Kendall*, 62 Me., 166.

*Killeffer v. Herr*, 17 S. & R., 319.

*Pratt v. Wilcox Co.* (C. C. per Jenkins, J.), 64 Fed., 589, 591.

4. THE IDENTITY OF ISSUES AND THE PRIVACY, AND, INDEED, PRACTICAL IDENTITY OF THE PARTIES IN THE WISCONSIN AND PENNSYLVANIA SUITS.

(a) *The Facts in the Record show this Identity and Privacy clearly.*

We have in our statement of the case given the facts on which our contention here is based (*supra*, pp. 28 and 29).

These facts show that the privacy, and indeed the identity of the *parties* in the suits in Milwaukee and in Pittsburgh respectively, is beyond question. By a mass of undisputed evidence in the record it is largely the result indeed of respondent's own energy and industry in placing it there—it appears that the Westinghouse Traction Brake Company owns, and has owned since long before the beginning of the litigation by Christensen in the Pittsburgh jurisdiction, all the stock in the National Brake & Electric Company, and has controlled that company. The plaintiff in the instant case is the National Brake & Electric Company. The defendant in the Pittsburgh case was the Westinghouse Traction Brake Company. The matter of parties therefore is not so much one of privacy as of identity.

This court has decided this question, in the precise similar case of *Hart Steel Co. et al. v. Railroad Supply Co.*, 244 U. S., 294. There the Railroad Supply Company brought suit against the Hart Steel Company in the Northern District of Illinois for infringement of certain patents. Three months later it brought suit in the Northern District of Ohio against the Elyria Steel Company, praying for the same relief as in the first case. As in the present case, the two bills differed only in the parties defendant. The Elyria Company was a manufacturing corporation and owned all of the capital stock

of the Hart Company. As in the present case, the same defenses were relied upon in the two cases. The District Courts in both cases dismissed the bill for want of proof of infringement, and both cases were appealed. In the *Ohio* case, the Court of Appeals for the Sixth Circuit found the patents void and affirmed the decision of the District Court. Thereupon the Hart Steel Company filed a motion in the Court of Appeals for the Seventh Circuit, where the case stood for argument, praying that court to affirm the decree of the lower court upon the ground that all the issues in the case had been finally determined in the *Ohio* case between the plaintiff and the Elyria Company, with which the Hart Company was in privity. This motion was denied, and subsequently the case was argued on its merits, and the Court of Appeals of the Seventh Circuit found the patents valid and infringed, reversed the decision of the lower court, and remanded the case for an accounting.

Upon certiorari this court said that the question presented was whether or not the decree of the Circuit Court of Appeals for the Sixth Circuit was a final determination of the issues presented in the case pending in the Circuit Court of Appeals for the Seventh Circuit so as to be *res adjudicata* and binding on the latter court, because of the identity of the subject matter and claims, and of the privity of the parties. As to the identity of the subject matter and privity of the parties the court (p. 298) said (and it fits the facts of this case) :

“There can be no doubt from the record before us that the Elyria Company owned all of the capital stock of the Hart Company, that the latter company was a mere sales agent of the former, that Wood was the salaried manager of the latter, that both the Hart Company and Wood were agents subject to the control of the Elyria Company, and that in selling the tie-plates and as defendants in the litigation they acted wholly under the authority and

in the interest of their principal. Identity of interest could not be clearer or closer than it was between the defendants in the two cases,—they represented precisely the same, single interest, and the Hart Company and Wood as agents of the Elyria Company were obviously and necessarily privies to the judgment rendered in its favor in the Circuit Court of Appeals for the Sixth Circuit. *Bank of Kentucky v. Stone*, 88 Fed. Rep., 383; affirmed in *Kentucky Bank Tax Cases*, 174 U. S., 408; *Emery v. Fowler*, 39 Maine, 326; *Castle v. Noyes*, 14 N. Y. 329; *Emma Silver Mining Co. v. Emma Silver Mining Co. of New York*, 7. Fed. Rep., 401."

The court then proceeded to decide the question presented by the petition:

"With the identity of the subject matter and issues of the two cases admitted, the privity of parties to them clear, and the question of the ruling effect of the decree of the Circuit Court of Appeals for the Sixth Circuit presented in an appropriate manner to the Circuit Court of Appeals for the Seventh Circuit, a court of co-ordinate jurisdiction, we cannot doubt that the latter court fell into error in not sustaining the motion of the petitioners to affirm the decision of the Circuit Court. The defendants should not have been put to further expense, delay and trouble after the motion was presented. The question is ruled by *Kester v. Eldred*, 206 U. S., 285; *Brill v. Washington Ry. & Electric Co.*, 215 U. S., 527, and *Russell v. Place*, 94 U. S. 606."

Noting the fact that in our case the defendant is the manufacturing company and its controlling company the selling company, the similarity of the cases may be strikingly illustrated by paraphrasing the first quotation above given, as follows:

"There can be no doubt from the record before us that the (Elyria) Westinghouse Company owned all of the capital stock of the (Hart) National Company, and that the latter company was a manufacturing (sales) manufacturing agent of the former; that the (Hart) National Company was subject to the control of the (Elyria) Westinghouse Company."



trol of the (Elyria) Westinghouse Company, and that in (selling) manufacturing the (tie-plates) combined pump and motors and as defendants in the litigation it acted wholly under the authority and in the interest of its principal. Identity of interest could not be clearer or closer than it was between the defendants in the two cases—they represented precisely the same single interest, and the (Hart) National Company as agent of the (Elyria) Westinghouse Company was obviously and necessarily privy to the judgment rendered in the latter's favor in the Circuit Court of Appeals for the (Sixth) Third Circuit."

Plaintiff's counsel in the argument in the court below asserted that the doctrine of *res judicata* did not apply to the present case, because the National Company was a mere child of the Westinghouse Company, and as such had no control of the defense in the *Westinghouse* case; that the owned corporation could not control the owner, and that this differentiated the case from the *Hart Steel* case. But the reply to this is that it is not the mere matter of ownership by one or by the other, but of identity that is important; and also that the alleged distinction from the *Hart* case does not exist, as clearly appears by the paraphrase of the language of the decision in the *Hart* case above made. If the estoppel does not apply in favor of the National Company in the present case, for the reason that it was the child of the Westinghouse Company, it would not have applied in favor of the Hart Company. This court, however, held that it did apply in favor of the Hart Company by reason of its privity with the Elyria Company. We have precisely the same condition of affairs in the present case.

5. AS TO RESPONDENT CHRISTENSEN'S KNOWLEDGE OF SUCH  
PRIVITY.

(a) *Such Knowledge is not necessary to our Case, but is clearly shown.*

We may anticipate that counsel for respondent will contend here, as they did in the lower courts, that although the ownership and control of the National Brake & Electric Company by the Westinghouse Traction Brake Company must be admitted, there is no proof that before March, 1916, when Christensen brought his suit against the Westinghouse Traction Brake Company in Pittsburgh, this connection and control had been published abroad and openly brought to the notice of Christensen. We maintain that the contrary is distinctly shown by the proof referred to in our statement of the case (*supra*, pp. 24-29).

But we submit again that the relation between these companies here involves, not so much the question of control by one party of litigation against another coupled with knowledge of that control by the adverse party, as of actual practical identity. There are many cases of *intervention* which may be cited,—cases, for example, where a manufacturer of patented goods has *intervened* and taken charge and control of suits for infringement brought against retailers,—in which courts have said that knowledge of this *intervention* on the part of the prosecuting party must be shown before he can be considered bound by its result when suing the manufacturer. The Circuit Court of Appeals of the Ninth Circuit has said so in *Wilgus v. Germain*, 72 Fed. Rep., 773, and in *Cramer v. Singer Mfg. Co.*, 93 Fed. Rep., 636, and the Circuit Court of Appeals of the Sixth Circuit has said so in *Lane v. Welds*, 99 Fed. Rep., 286, and in *Foot v. Parsons Non-Skid Com-*

pany, Ltd., 196 Fed. Rep., 951. Perhaps in every other circuit similar cases can be found. But these cases are not at all in principle like the instant case, and the *Hart Steel Company case*. They depend upon the undoubtedly sound doctrine quoted by the court in *Cramer v. Singer Mfg. Co.*, 93 Fed. Rep., 636, and in *Herman on Estoppel*, 157, as follows:

"If one not a party of record nor in privity with a party of record desires to avail himself of the judgment as an estoppel on the ground that he in fact defended the action resulting in the judgment, he must not only have defended that action but must have done so openly to the knowledge of the opposite party and for the defense of his own interests. That he employed an attorney who appeared for the defendant of record and appeared as a witness for the defendant, is not sufficient."

In the *Cramer* case the judgment of the Circuit Court was reversed because, as the Circuit Court of Appeals said, a judgment in favor of one Fry had been held by the Circuit Court to be binding upon Cramer not for the reason that the Singer Manufacturing Company "was in privity with Fry or sustained such relation to him that it was bound by a judgment against him, but for the reason that it took an active part in the defense of that action against Fry and paid the expenses thereof."

In the instant case and in the *Hart Steel Company* case, it is needless to argue that the two defendant companies *did* bear such relation to each other that the one was bound by the judgment against the other for a patent infringement. We feel confident that this court will hold that when two companies are made practically identical by the entire ownership of one by the other, they are "privies," and that looking through mere form to the substance outlined it will apply the rule which it laid down in the *Hart Steel Company case*, 244 U. S.,

294, that the doctrine of *res judicata* is "a rule of fundamental and substantial justice, of public policy and of private peace, which should be cordially regarded and enforced by the courts to the end that rights once established by the final judgment of a court of competent jurisdiction will be recognized by those who are bound by it in every way wherever the judgment is entitled to respect;" and will apply the rule it laid down in *Robbins v. Chicago*, 4 Wall., 657, that "the conclusive effect of judgments respecting the same cause of action and between the same parties rests upon the just and expedient axiom that it is for the interest of the community that a limit should be opposed to the continuance of litigation, and that the same cause of action should not be brought twice to a final determination.

(b) *Plaintiff Christensen is shown to have had full knowledge of such Privity.*

But even if this test of knowledge by the plaintiff should be applied in this case, where, as in the *Hart* case the parties are practically identical, we should be placed at no disadvantage. Such knowledge is fully shown in our statement of the case. (*Supra*, pp. 24-29.)

The respondent cannot, and does not, deny that I had knowledge of the relations between the companies and that the Westinghouse Traction Brake Company owned all the stock in and controlled the National Brake & Electric Company entirely, upon September 1916, (Rec., p. 136) at which date the record shows the plaintiff's counsel in the examination of Mr. Tell directed made the statement that the stock of the National Brake and Electric Company was all owned and controlled by the Westinghouse Company; nor can he deny knowledge of it on February 9, 1917, when he himself made an affidavit to the same effect (Rec., p. 96); nor can he de

that four months after this last date, as the Circuit Court of Appeals for the Third Circuit says (Rec., p. 109), on June 15, 1917:

"Counsel for both sides appeared, and after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally therefore, but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto."

Thus it would appear that even if the plaintiff, Christensen, did not *begin* his litigation against the Westinghouse Company, having full knowledge that it was also in fact and substance the National Brake and Electric Company, inasmuch as it owned the entire stock of the latter, he *prosecuted* his case with that full knowledge. This prosecution of his case after such knowledge is all that has ever been held necessary for the application of the principle of *res judicata*, even when the question has not been one of identity nor of privity of ownership and interest such as is here involved, but simply of intervention and assumption of the burden of defense. The principle upon which such cases go when—as the Circuit Court of Appeals for the Sixth Circuit expresses it in *Foutc v. Parsons Non-Skid Co.*, 196 Fed., 951,—the manufacturer has not assumed open control of the action and the attorney, and is therefore only "a sympathetic and interested non-participant"—is that the plaintiff may not intend nor desire to submit to the Court of the District of the dealer's residence all questions which may exist between patentee and infringing manufacturer, and may choose to settle with the dealer at terms that he would not make with the manufacturer. But if, knowing the facts of the control of the litigation by another party than the nominal defendant, the

plaintiff proceeds to prosecute his case nevertheless, it is reasonable and proper that he should be held bound by the results as against both parties, controller and controlled.

But back of all this we beg to repeat that there is ample evidence in this record to show that Christensen was informed of the relations between the Westinghouse Companies and the National Brake and Electric Company before he began any litigation. The testimony of Mr. Westinghouse (Rec., p. 148-150) and that of Mr. E. H. Bottum (Rec., p. 122-124), taken with the testimony of Christensen himself (Rec., 178, XQs., 76, 77) shows that from May, 1906, before the beginning of the litigation by him against the National Brake & Electric Company even, and more than nine years before he brought the bill against the Westinghouse Traction Brake Company in Pittsburgh, Christensen knew that the Westinghouse Companies, at first the Westinghouse Air Brake Company and then the Westinghouse Traction Brake Company, owned and controlled effectually and entirely the National Brake & Electric Company.

For our purposes here it is enough that respondents knew the facts, when by agreement they submitted the case upon the merits for the determination of the Circuit Court of Appeals in the Pennsylvania suit; and this is shown by the affidavits of Christensen (Rec., 90) and his counsel Rummel (Rec., 91-92), hereinbefore referred to

6. THE CASE AT BAR IS ON THE SAME FOOTING AS THE HART STEEL COMPANY CASE AND THE DUTY OF THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT IS THE SAME AS THIS COURT DECLARED IT TO BE IN THE HART CASE, NAMELY, TO GIVE EFFECT TO THE FIRST FINAL DECREE ON THE VALIDITY OF THE PATENT INVOLVED.

(a) *The Circuit Court of Appeals in the instant case should at least have recalled its Mandate and set aside its Affirming Order of October 5, 1915, and directed the District Court to Vacate its Decree of August 21, 1914, adjudging said Patent 635,280 (i. e., the Second Patent) to be valid and providing for an accounting thereunder,—and to enter a Decree finding and adjudging said Patent to be invalid.*

It is submitted that the waiver by the respondents, in the Circuit Court of Appeals for the Third Circuit, of the estoppel or *res judicata* of the decree in the Wisconsin suit, and their submission of the question of validity of this patent to that court for determination upon the merits,—without any assertion by them of the estoppel or *res judicata* of the decree in the Wisconsin suit as against the petitioner-defendant there, as a privy of the petitioner-defendant here (Rec., 8-9, 109, and *supra*, 13, 19-20),—removes any distinction between this case in the Circuit Court of Appeals at Chicago and the *Hart Steel Company* case, which we have above referred to.

The ruling in the *Hart Steel* case in effect was that it was the duty of the Circuit Court of Appeals at Chicago to determine the question and fact of privity between the defendants there and the defendant in the case in the Sixth Circuit, and the identity of the issues or questions in the case there and in the *Ohio* case, and—the privity and identity of issues appearing from the

record submitted—to give effect to the decision of the Circuit Court of Appeals in the Sixth Circuit as *res judicata* and to act and determine the case before that court accordingly.

We submit that the like duty was imposed upon the Circuit Court of Appeals at Chicago in the case at bar. The record of the proceedings presented to that court shows,—as did the record presented to the same court in the *Hart Steel* case,—both the privity of the parties and identity of the issues; and also shows the waiver by the respondents in the Circuit Court of Appeals for the Third Circuit of any supposed *res judicata* or bar of the decree and the decision or decree in the Wisconsin suit, and the submission to the Circuit Court of Appeals in the Pennsylvania suit, for its determination upon the merits, as an open question, the issue and question as to the validity of said second patent No. 635,280.

(b) *We contend, moreover, that the Circuit Court of Appeals should,—the whole record considered,—have further directed the District Court to dismiss said bill for want of equity.*

As we have hereinbefore submitted, the least that the Circuit Court of Appeals should direct the District Court to do must involve a finding of the invalidity of Patent 635,280, but that would not exhaust the relief to which because of the final adjudications of the courts in Pennsylvania we conceive ourselves entitled.

We think that the Court of Appeals should have dismissed or instructed the dismissal of the complainant's bill.

(aa) In the first place we are so far from admitting the contention of the complainants heretofore alluded to, that the Pennsylvania court found Patent No. 621,324



valid and in force, that we maintain that on the contrary as to Letters Patent 621,324 as well as to Letters Patent 635,280, there has been a final adjudication in Pittsburgh which controls and determines the proper course under the interlocutory decree in Milwaukee and that the decree of dismissal of the bill in Pittsburgh was a final adjudication adverse to any claim that can now be made by complainant.

The bill in Pittsburgh mentioned five patents. It was dismissed by the District Court first on February 24, 1917, as an entirety and as to all said patents "Without prejudice." As to two of these patents not involved here the dismissal in this form was never objected to or challenged. As to the two involved in our discussion 621,324 and 635,280, and a third one, the consideration of the Circuit Court of Appeals for the Third Circuit was invoked. That court by its mandate to the District Court to act in accordance with its opinion, affirmed the decree as to the third patent and reversed it as to the other two,—621,324 and 635,280. As it then said and later said its decision was that the second patent was invalid and should be so adjudged and that the cause should proceed on the first patent, 621,324, alone. (Rec., 235.) A decree October 1, 1917, in accordance with the mandate, which decree was an absolutely final adjudication as to Patent 635,280, held that patent invalid and dismissed the bill as to *it*. The case was then ready for trial on Patent 621,324. And we maintain that the case was on hearing when the order was made. The order then entered upon the mandate recited "this cause having come on to be heard at this term on motion, etc." (Rec., 115.) So the entry of record as to the order of dismissal of the bill recited, "and now, Monday, October 1, 1917, this cause came on for hearing before Honorable Charles P.

Orr, judge, etc." (Rec., 198.) The Circuit Court of Appeals afterward speaking of it said:

"The defendant was on hand ready to go on. But the plaintiffs did not offer to go on and being, therefore, in default, were bound to accept the consequences." (Rec., 240.)

Those consequences were that on motion of the defendant, the court on the same day, October 1, 1917, with respect to Patent No. 621,324 (Rec., 117 and 199), *dismissed the bill* (which at that moment affected only Patent 621,324)—"for want of prosecution." That order after intermediate proceedings was again entered on March 11, 1918, when "it was further ordered, adjudged and decreed that as to Patent No. 621,324, etc., the bill of complaint stands dismissed for want of prosecution, with costs, etc." (Rec., 218.)

As to this dismissal, the Circuit Court of Appeals for the Third Circuit afterward said:

"No occasion then existed for entering a decree again dismissing the bill as to the first patent. The decree of October 1st had been in force from its date and no additional order was necessary." (Rec., 240.)

It said the order was "a final decree" and expressly declined to decide what effect it should have in any other proceeding, declaring "no such question is now presented and we volunteer no opinion on the subject."

We admit that *usually* a dismissal "for want of prosecution" is a dismissal "without prejudice." But it is not *necessarily* so. Undoubtedly where the plaintiff makes a voluntary discontinuance—or where by declining to prosecute further—he evades in time a trial on the merits, the decree of dismissal of a bill in chancery does not make a final decree barring another action,—but we maintain that where, as the record here shows, a case is called for hearing, the plaintiffs have an opportunity to intro-

duce testimony and nevertheless make default, and on motion of the defendant, the bill is then dismissed—whether the expression of the order be “for want of prosecution” or “for want of equity”—the decree is a final one and makes an adjudication. It seems inadmissible to us that the plaintiffs could file a bill in the affirmative form alleging one invention described in two patents (as the original bill in Pittsburgh did) and when the case reached the Court of Appeals make an argument *on the merits* with respect to certain defenses raised regarding both patents, encounter an adverse decree and an order of dismissal as to one of them, and then when the case is sent back to the lower court and reinstated by the lower court and formally called for trial on the date set by that court and an opportunity of proceeding with such trial offered them, abandon the trial as to the remaining patent in that circuit and revive or continue it “without prejudice” in another court.

(bb) But whether the Pittsburgh decree of October 1, 1917, concerning Patent 621,324 was or was not a final adjudication as to that patent, the decree of the same court on the same date as to said Patent 635,280 certainly was final as to said Patent 635,280, and we maintain that on the record shown in this case in the Seventh Circuit alone, that with said Patent No. 635,280 eliminated from the litigation there can be no relief granted on the bill of complaint.

It goes without saying, as we have submitted, that the Circuit Court of Appeals in the instant case should at least have recalled its mandate and set aside its affirming order of October 5, 1915, and directed the District Court to vacate its decree of August 21, 1914, adjudging said Patent 635,280 (*i. e.*, the second patent) to be valid and providing for an accounting thereunder,—and to

enter a decree finding and adjudging said patent to be invalid.

But this would leave the question as to the disposition of the *alternative case for relief* presented by plaintiff's amended bill which the previous decrees did not adjudicate and which is here next outlined; and which we maintain clearly presents no case for relief.

7. THE STATUS OF THE CASE IF AND WHEN THE JUDGMENT OF THE CIRCUIT COURT OF APPEALS HEREIN REVIEWED IS REVERSED BY THIS COURT AND LETTERS PATENT NO. 635,280 ARE ADJUDGED TO BE INVALID; AND AS TO THE ORDER TO BE HERE MADE OR DIRECTIONS GIVEN WITH RESPECT TO REMANDING THE CASE FOR FURTHER PROCEEDINGS, OR DIRECTING THE DISMISSAL OF THE SUIT.

The amended bill sought, in the event Patent 635,280 should be held invalid,—to base its cause of action upon two or three other grounds—singly or together, viz:

(1) Upon canceled Patent 621,324;—the claim here being that the cancellation of 621,324 was void if 635,280 is invalid;

(2) Upon an alleged contract of the Government with the patentee, Christensen, for the grant and monopoly;—arising out of the allowance by the Patent Office of Christensen's application for a patent;—the theory apparently being that such "contract,"—in the absence of any letters patent,—secured to him the exclusive patent right,—the letters patent being merely "evidence" (and not the only evidence) thereof; and

(3) Upon Christensen's supposed equities. (Rec. 19, 21, 24.)

The judgments of the District Court and Court of Appeals did not mention or refer to such alternative

feature of the case. Those judgments dealt only with Patent 635,280; but the decree sustaining the validity thereof, in effect and necessarily, decided against the validity or existence of the canceled Patent 621,324, and against plaintiffs' alternative case.

This alternative case was, however, referred to in their opinions filed (Rec., 34, 41, 44); although what was there said, or the views there expressed, were not necessary to or involved in the decisions made (which merely sustain Patent 635,280, without any qualification,—even as to its term or period); and formed no part and in no way enlarged or affected those decisions. *Barney v. Winona Railway*, 117 U. S. 228, 231.

While none of these alternative contentions of plaintiffs have ever been sustained by any adjudication,—the *obiter dicta* in the opinions, to which we have referred, ominously disclose, as we conceive, an already formed but clearly erroneous opinion of those courts in plaintiff's favor. (See *infra*, p. 87.)

Regarding these contentions as still in the case and undisposed of, what order should be here made? Shall this court's order dispose of the case, and save both parties from the expense of further litigation? (*Smith v. Vulcan Iron Works*, 165 U. S., 518, 525.) Or shall the case be remanded for further and new hearings and proceedings?

If there is no fair basis for a decree in plaintiff's favor then this suit should be now disposed of and dismissed.

(a) *The Judiciary Act contemplates that, as a general rule, this court shall, upon certiorari, dispose of the case, as the Circuit Court of Appeals should have done.*

The petition to the Circuit Court of Appeals here under review prayed for a direction to the District Court to dismiss the suit for want of equity. (Rec., 6.)

The entire record is before this court with power to decide the case as it was presented to the Circuit Court of Appeals; and the Judiciary Act contemplates that, as a general rule, where under its provisions a case comes to this court on certiorari to a Circuit Court of Appeals, it will be here disposed of as that court should have disposed of it,—so that the mandate of this court, to avoid circuitry will go directly to the District Court. (Rev. Stat. Sec. 701; Judicial Code, Sec. 240; *Hamilton Shoe Co. v. Wolf*, 240 U. S. 251, 258-9; *Lutcher & Moore Lumber Co. v. Knight*, 217 U. S. 257, 267; *Denver v. N. Y. Trust Co.* 229 U. S. 123, 136.

In *St. Louis, K. C. & Col. R. R. Co. v. Wabash R. R.* 217 U. S. 247, 251, certiorari was granted to the Circuit Court of Appeals for the Eighth Circuit to remove a case there pending on appeal from a decree of the Circuit Court which was entered pursuant to a mandate of the Circuit Court of Appeals upon a former appeal, and this court held that such certiorari brought before this court the original decree, which, upon the hearing this court modified (p. 257).

In *Donovan v. Pennsylvania Co.*, 199 U. S. 279, the court said:

“On writ of certiorari we can dispose of all questions arising on the record.”

In *Camp v. Greis*, 250 U. S. 308, 318, the court said

“In cases coming from the federal courts, the Supreme Court is given by statute full power to

enter such judgment or order as the nature of the appeal or writ of error (or certiorari, Sec. 240 of the Judicial Code) requires."

(b) *Exceptions to the rule requiring this court to dispose of the entire case. Discretion of the court.*

We recognize that certain cases have been held by this court to present such exceptions to the general rule as to give this court a discretion to decide the whole case or not. This court, in such a case, may remand the case to the lower court to pass on issues undetermined. *Lutcher & Moore Co. v. Knight*, 217 U. S. 257, 267-268; *Cramps v. Curtiss Co.*, 228 U. S. 646; *Brown v. Fletcher*, 237 U. S. 583; *Lamar v. United States*, 241 U. S. 103.

In that event here—that of remanding to the District Court for further proceedings—we should maintain:

(c) *That if, notwithstanding the cancellation of the Letters Patent No. 621,324 (i. e., the first patent) at the direction of the patentee, and the facts that said letters patent were never reissued, and that the patentee never marked his structures under that patent or gave any notice or made any claim thereunder prior to filing said amended bill,—this court is of the opinion that the bill could still be maintained with that patent, or the alleged contract of the Government with Christensen, or his supposed equities therein referred to, as a basis for the claim of infringement,—the Circuit Court of Appeals should have instructed the District Court not only to vacate its decree adjudging the validity of Patent No. 635,280, but also to set aside the accounting; require or permit amendment of the bill and allow further pleading thereto.*

It is obvious that no directions less favorable to defendant could be given.

*The question of marking:*

Even were the Letters Patent 621,324 outstanding and valid, instead of canceled and surrendered, they certainly could not and should not be considered a possible basis for the present accounting or a continuation of it.

The effect of the substitution of one patent for another on this accounting is too obvious to need discussion.

The U. S. Rev. St., Sec. 4900, declares that:

"It shall be the duty of all patentees and their assignee and legal representatives and of all persons making or vending any patented article for or under the law, to give sufficient notice to the public that the same is patented, *together with the day and year* the patent was granted, or when from the character of the article this cannot be done, by fixing to it or the package wherein one or more of them is enclosed a label containing the like notice and in any suit for infringement by the party so failing to mark, damages shall be recovered by the plaintiff except proof that the defendant was duly notified of the infringement and continued after such notice to make use or vend the article so patented."

Mere notice of the patent is insufficient. There must be notice of the *infringement* also.

*Dunlap v. Schofield*, 152 U. S., 244.

The marking by complainant, in order to comply with Section 4900 of the Revised Statutes above recited, was according to both the original and amended bill charged to be under the second patent—Letters Patent 635,280.

The original bill said nothing of Patent 621,324 nor notice other than "marking," and while the amended bill spoke of notice of "infringement of a monopoly," this was plainly not the notice of a patent and of infringement.



thereof which we submit is the meaning of the alternative requirement of the statute.

And the "marking" by complainant in order to comply with the statute is by the amended bill expressly alleged to be under the second patent, Letters Patent No. 635,280. The allegation is

"that the public, ever since said exclusive grant to the plaintiff, Christensen, has had due notice that said motor compressors, articles and apparatus are made under said grant or monopoly and have been and are patented and have been and are marked by affixing thereon the word "patented," together with the day and year of the issuance of *said last numbered patent*, that the public has known, widely recognized and acquiesced in the validity of said exclusive grant and monopoly to said Christensen in the utility and advantages of said improvements and in the aforesaid exclusive title and rights of the plaintiff and each of them thereto and therein." (Rec., 22.)

And the bill in the following paragraph alleges "that the defendant has well known all the facts hereinbefore set forth." (Rec., 22.)

The "facts hereinbefore set forth," include the complainant's refusal to accept Letters Patent 621,324, his return of the same with such refusal to the Commissioner of Patents, his request that said Letters Patent 621,324 be canceled, the granting of his request, the cancellation of Letters Patent 621,324 and the issuance of Letters Patent 635,280 in lieu thereof for the term of seventeen years from and after the date thereof, October 17, 1899. (Rec., 19-20.) It is therefore obvious that the only outstanding letters patent accepted by Christensen were Letters Patent 635,280 and that the allegation of the bill of complaint that plaintiffs prior to the institution of this action caused notice to be given to defendant of its alleged infringement and of the rights of complainant in the prem-

ises (Rec., 23) must be referred to Letters Patent 635,280 because there was none other. The records of the Patent Office disclosed to the defendant and the public that Letters Patent 621,324 had been canceled at plaintiff's request and direction. It is shown by the pleadings that the only marking was under Patent 635,280 and there is not, as we maintain, even an allegation in the pleadings of notice of infringement of any other patent.

And the decree now standing in this case under which the account is going on mentions only an accounting of the gains and profits made by an infringement of Patent No. 635,280. (Rec., 40.)

If then this court (or the Circuit Court of Appeals following the direction of or opinion of this court) should hold that under the circumstances shown by the pleadings and record now before it, the adjudicated invalidity of Patent 635,280 must be recognized but that nevertheless in the present suit there may still be tried out the alleged rights of the plaintiff under the canceled Letters Patent 621,324, or other alleged grounds of recovery, the present decree and accounting must be set aside and the plaintiff given leave appropriately to amend his bill eliminating therefrom claims under Letters Patent 635,280 and the defendant allowed to answer the same. Then for the first time could the defendant fairly meet all questions concerning the present existence and validity of Letters Patent 621,324.

8. THE CASE AT BAR IS WHOLLY NOW IN THE HANDS OF THIS COURT. THE PLEADINGS AND UNDISPUTED FACTS SHOWN IN THE RECORD FURNISH CLEAR GROUND FOR ITS DISPOSITION UPON THE MERITS AND THE DISMISSAL OF THE SUIT WITHOUT FURTHER EXPENSE AND DELAY.

PLAINTIFFS' CASE IS CLEARLY WITHOUT EQUITY.

IT IS ALSO MARKED AT EVERY STEP BY GROSS LACHES.

*We contend that upon the allegations of the amended bill and the undisputed facts shown by the record, the plaintiffs present no case for relief on their alternative prayer, based upon either (1) canceled Patent 621,324, or (2) a supposed contract with the Government for letters patent, or (3) the circumstances of the case and plaintiff's supposed equities; or upon all these grounds taken together.*

We submit the following considerations in support of our contention here:

(1) In the first place, the record clearly shows that plaintiff Christensen's patent situation here was brought about by himself; and the fact that it was never remedied,—if he was entitled to have it remedied,—is due entirely to his own fault and laches, and he should bear the consequences.

(2) The plaintiffs have no valid existing patent. They have had none since the cancellation by the patentee's procurement of the first patent. In other words, the first letters patent were by Christensen's procurement destroyed; and the second patent has been at all times invalid.

Existing and valid letters patent are necessary to the plaintiffs' case here.

The letters patent are the only contract, and the only evidence of patent right, and the only ground upon which the plaintiffs could sustain a suit in equity to enjoin infringement and recover profits or damages.

Assuming everything that plaintiff asserts her to be the fact, viz.: that the intention of Christensen, in his act of returning the first patent and requesting its cancellation,—and also the intention of the Commissioner of Patents in carrying out that request and canceling said patent,—was that such cancellation should be accompanied or immediately followed by the issue of valid letters patent in place of the canceled patent, and that such intention failed in the respect that the second patent was not a valid patent;—then, as we maintain, it does not follow as against the defendant here, and for the purposes of this suit,—either (1) that the first patent was not canceled, but exists; or (2) that the facts furnish a substitute for or equivalent of unsued or non-existing valid letters patent.

(3) However the plaintiffs' case is looked at, they have been guilty of such gross *laches* as prevent any relief in a court of equity.

(4) These considerations,—if sound, as we maintain they are,—dispose of plaintiffs' alleged alternative case, whether based upon a supposed contract with the Government with Christensen, which is not embodied in or evidenced by any valid letters patent, or upon any other considerations or grounds.

Let us consider these contentions:

(1) As to the patentee's (Christensen's) action and responsibility for his situation, *and as to his laches*:

(a) *As to Patent 621,324*:

That patent was destroyed by Christensen's procurement. Plaintiff Christensen alleges that he refused to accept that patent, and on September 16, 1899, he returned it with such refusal to the Patent Office, and requested its cancellation. His request for its cancellation was granted and the patent was accordingly canceled and destroyed. See amended bill (Rec., 19-20); answer to our petition here (Rec., 7-8); also opinion of District Court (Rec., 32), and stipulation (Rec., 87-88),—where it is stated that the Commissioner of Patents

made an order September 29, 1899, that the seal of said Letters Patent 621,324, be broken and the grant returned to the files marked canceled.

There can be no question, we submit, that Letters Patent 621,324 then and forever ceased to exist for any purpose.

Notwithstanding the defect in that patent was obvious at a glance, the patentee did not refuse to accept nor did he return the first patent for nearly six months after he received it; and in the meantime, before so returning it, he made use of it to his advantage by giving a license contract thereunder, dated September 13, 1899, providing for the payment to him of royalties. (Rec., 190; Exh. 83; and Rec., 188; Exh. 74.) During that period he made no objection to the patent, although he was charged with knowledge of the defect which so appeared upon its face. Obviously under these circumstances, he could not get other valid letters patent except for the unexpired part of the term of Patent 621,324, which was seventeen years from March 21, 1899. (Rev. Stat., Sec. 4916.)

This was not the case of the mere surrender by Christensen of the first letter patent for a reissue under Rev. Stat., 4916.

In *Allen v. Culp*, 166 U. S. 501, 505, the court said that the amendment of 1870, now a part of Section 4916, providing that the surrender should take effect upon the reissue of the amended patent, was passed "to obviate the injustice to inventors occasioned by the peremptory requirement that the patent should be treated as extinguished from the moment that it was surrendered for a reissue." It was also said in that case that "whether, if the reissue be void, the patentee may fall

back on his original patent, has never yet been decided by this court."

But the patentee here was not satisfied merely to surrender Patent 621,324 for reissue and leave the patent to be "treated as extinguished" and the surrender to "take effect upon the reissue of the amended patent," by force of law. He expressly "refused to accept" the first patent and directed its cancellation and it was accordingly canceled. (Rec., 19-20.) His case does not come within such provision of the amendment of 1870.

*Plaintiff Christensen's very obvious laches respecting his present claim under the first patent.*

The plaintiff never recalled his request for such cancellation or sought from the Patent Office the restoration or return of Patent 621,324. The record in the Patent Office shows, and has shown ever since September 29, 1899,—and during the whole time of the alleged infringement by defendant,—that that patent was canceled and destroyed by Christensen's procurement and was non-existent; and no attempt has been made to procure any change in that record.

If the patentee had asked that the defect in the first patent be cured,—either under Rule 170 of the Patent Office, which would not call for its cancellation,—or by reissue under Rev. Stat. Sec. 4916,—there would have been no new patent for an extended period forbidden by law.

But he did nothing of the kind. He "merely asked for a summary and irregular correction of the mistake, and the commissioner complied with his request," as was said by the Circuit Court of Appeals for the Third Circuit. (Rec., 112.)

So Mr. Christensen was responsible for canceling Pat-

ent 621,324 as it was done, and for getting invalid Patent 635,280 in its place.

His patent predicament here is the result of his own action and direction; and his failure to take any proper steps at any time in the Patent Office to reinstate the first patent, or to assert in this suit any supposed rights thereunder for nearly seven years after the suit was commenced and for over fourteen and one-half years after such supposed rights accrued, shows fatal *laches*.

(b) *Again, as to the second patent, No. 635,280:*

The invalidity of this patent was alleged in the answer to the original bill, filed March 1, 1907. (Rec., 27-28.) Its invalidity appeared on its face, because it purported to grant the monopoly for the full seventeen years from its own date, instead of for the unexpired part of the period of Patent 621,324. R. S. Sec. 4916. Of course, if, instead of asking for an "irregular correction of Patent 621,324," he had pursued the plain course to accomplish that object only, he might have avoided the vice in 635,280.

It may be properly asked why plaintiff never took any steps to have the obvious defect in the second patent remedied in the Patent Office. It was as readily correctible as its need for correction was obvious. Why was it not promptly corrected in 1899 or 1900, and before the public had for years acted on the showing of the Patent Office records that Patent 635,280 was the entire basis of plaintiff's alleged right? It is to be inferred—there is no other apparent reason—that it was because he desired to get, even at some risk, the benefit of the longer monopoly period, which that patent professed to give him; and took his chances of its invalidity on that ground. *Plaintiff Christensen was guilty of*

*gross laches in not having it remedied at all—by reissue or otherwise—in the Patent Office.*

*Wollensak v. Reider*, 115 U. S., 96.

*Wollensak v. Sargent*, 151 U. S., 221.

*Milloy Elec. Co. v. Thompson-H. Co.* (C. C. A., 6th Cir.), 148 Fed., 843; 78 C. C. A., 533.

(2) *We maintain that valid and uncanceled letters patent are essential to plaintiff's recovery.*

We contend that the idea underlying the view of plaintiff and his counsel here,—and that expressed or suggested in the *obiter dicta* of the opinions of the District Court and Court of Appeals (Rec., 34-44),—is a misconception of the nature and effect of letters patent and the source of the rights of grantees thereunder. Much emphasis is placed by plaintiff on the position or theory that a patent is but the *evidence* of a contract between the United States and the inventor. We think this view unsound.

While it is undoubtedly true that the contract of valid and accepted letters patent constitute a contract between the United States and the patentee, they nevertheless constitute a peculiar kind of contract and a contract which depends for its existence on the very *grant* contained in those letters patent. It is not the invention which gives the inventor the patent right. He may invent as he chooses, and manufacture, use and sell as he chooses, his inventions, and keep their secret without taking out any patent, but *from the grant against common right—his letters patent, and from them alone* he receives the monopoly right to prevent and restrain other people from manufacturing, selling or using those inventions for a strictly limited time and under strictly limited conditions in consideration of the description of them which he gives in his application and which he places



of record, so that all the world can have the benefit of them after the limited time has expired.

(See the discussion of this and the general policy and effect of the patent laws in the opinion of the majority of the court in *Motion Picture Company v. Universal Company*, 243 U. S., 502.)

It follows from the very nature of this grant of letters patent, as from their history and development, that particular letters patent cannot be and are not mere documentary evidence for the inventor of an independent contract, under which *contract* he may have injunctions and accountings and which may be equally well proved by some letters patent other than those named in the decree, under particular or unusual circumstances.

On the contrary, if they may be said to constitute "a contract" as they often have been, they have none the less remained as Lord Cockburn called them in *Feather v. Reg.*, 6 Best & Smith, 257, "a prerogative grant upon condition."

And like other such grants, the law so construes them as to permit no further limitation of the liberties of others than the language of the grant itself requires. Like everything in derogation of common right, they must be kept within their express provisions.

We urge with confidence the proposition that the issue, existence and possession, actual or constructive, of a particular valid instrument is necessary to a patentee's suit for infringement. The letters patent *create* a property interest in the invention which otherwise does not exist.

The whole line of patent cases in both English and American jurisprudence we think bears out this assertion, but we call attention again to the late case of the *Motion Picture Company v. Universal Company*, 243

U. S., 502, which we have heretofore cited, to the early one of *Gaylor v. Wilder*, 10 Howard, 477, and especially to *Marsh v. Nichols*, 128 U. S., 605, of which the syllabus expresses well the doctrine of this court on this matter, and shows that defective letters patent were declared void and incapable of supporting an action for infringement, although the defect was purely clerical and accidental. This syllabus is as follows:

“Letters patent for an invention issued without the signature of the Secretary of the Interior have no validity, although in every other respect the requirements of law may be complied with and although the issue without the Secretary’s signature was unintentional, accidental and unknown to the Department of the Interior or to the patentee, but this omission may be supplied by the Secretary or Acting Secretary of the Interior at the time when the correction is made *and from the time forward* the letters operate as a patent for the invention claimed.”

And so the Supreme Court decided, affirming the court below, that the bill in that case, which was brought before the correction was made, must be dismissed.

This seems to us to leave little substance to any theory of a contract independent and paramount, as it were, to the letters patent and only *evidenced* by them. There must be according to the plain doctrine of this case existing valid and non-defective letters patent as the basis of any suit for infringement.

In this case we maintain there are not. Letters Patent 635,280 have been adjudged invalid by the final decree of a court having jurisdiction. Letters Patent 621,324 are not in existence. They have been surrendered, canceled and extinguished, and that, by the complainant’s own deliberate choice and request. He cannot pursue a remedy under them. They constitute no grant of a

monopoly right in him against the public. His release of the grant made by them is irrevocable. His bill in this case should therefore be dismissed and the Circuit Court of Appeals should have so ordered.

(3) *We submit with great respect, that the case should be disposed of by the order or direction of this court for its dismissal and should not be remanded for the determination of the lower courts whose adverse,—but as we maintain,—erroneous decision upon the unadjudicated questions, is foreshadowed in their opinions in the record.*

The judgments of the lower courts sustaining the second patent were based upon their conclusion that the return by the patentee of the first patent and the issue of the second patent were to be regarded "as in effect a reissue"; and that while the second patent was for the full term of 17 years from its own date and not for the unexpired part of the term of the first patent as required by Section 4916 of the Revised Statutes, that fact did not affect its validity; and that the court might (and the law itself did) limit the letters patent to such shorter lawful period. (See opinions, Rec., 34, 44.) The judgments, however, did not make or express any such limitation of the patent period. (Rec., 40, 50.)

Each of the courts expressed the opinion (*obiter*, as we contend), that the question as to which patent should be held to be in force was "academic" and unimportant, and that if the second patent were held to be invalid, then the cancellation of the first patent must be held to have been unauthorized and ineffective.

In other words, the expressed opinion of the two courts is that the second patent being adjudged invalid, the first patent was and is uncanceled. (Rec., 34, 44.)

With great respect, we maintain that this expressed view of the lower courts is clearly erroneous for the reasons we have above given.

We submit that the cancellation and status as to the first patent was not in any way affected by the invalidity of the second patent. The patentee's plain remedy for that invalidity was to apply for a further reissue or correction in the Patent Office; and this remedy should have been promptly sought when the patentee reissued the second patent and was charged with knowledge of its defect appearing on its face.

The Circuit Court of Appeals in its opinion in the instant matter (Rec., 257) said:

“At the threshold lies the question of the nature and effect of the Wisconsin decree affirmed by this court and we have stated the case only in that aspect.”

It then proceeds to discuss the finality of the Wisconsin decree and finding it “final in essence” though not in form, disposes of our petition by denying it.

This situation, however, we submit, does not in any degree militate against the final disposal of this cause here nor confine the action of this court to passing only on the question to which solely the Circuit Court of Appeals seems to have given its consideration. That question, if at the threshold, was behind and only reached after the questions of identity of subject matter and subject matter in the two suits were reached. That court said in its opinion:

“On the records of the three cases which are submitted as constituting all the evidence that bears on this motion respondents dispute petitioner's contention as to the identity of subject matter and parties in the two decrees.” (Rec., 257.)

It is referring to the Wisconsin and Pennsylvania cases respectively.

We maintain that it is not too strong an inference to draw that inasmuch as the record shows completely the facts about the relation of the issues and parties in the two cases,—the Circuit Court of Appeals found them as we contended or it would not have treated at length and solely in its opinion of the finality or the want of it in solely in its opinion of the finality or want of it in the Milwaukee judgment. Without privity and identity of issues, of course our case must have failed without reference to the disputed question of the interlocutory nature of the Milwaukee decree for which we contended and which the respondents denied.

But in any event we submit that in the interest of securing a speedy end of a long and harassing litigation *this* Court,—if it should agree with us and disagree with the Circuit Court of Appeals of the Seventh Circuit as to this question of the finality of the Milwaukee decree,—should not remand the cause to the Circuit Court of Appeals to decide the further questions which our petition raises and upon which those courts have *obiter* indicated a fixed opinion (Rec., 34-44), which, we submit, is clearly unsound, but should proceed and from the record before it decide them here and now, and instruct and direct the inferior courts accordingly.

It may,—and we confidently expect that it will,—make a part of any order or instructions to those courts an adjudication that the decree of the District Court in Wisconsin of August 21, 1914, was not a final but an interlocutory one, but it may also in consideration of the record, include directions to the Circuit Court of Appeals to instruct the District Court for the Eastern District of Wisconsin to vacate the accounting and decree

on which it is proceeding, to adjudge the Letters Patent No. 635,280 invalid, and then to dismiss the complainant's bill.

But if this court should not deem it proper thus to dispose of the entire litigation we ask in the alternative that at least it direct the Circuit Court of Appeals to instruct the District Court by proper action to eliminate Patent 635,280 from the litigation and allow the defendant his day in court in defense of any claim of infringement of a different patent.

## 9. SUMMARY OF OUR CONTENTIONS.

To restate then our contentions in the Circuit Court of Appeals, that we now repeat in this court which our proceeding has reached by this writ of certiorari:

They are:

*First.* That the Circuit Court of Appeals should, under the order of this Court, direct the dismissal of the bill in the instant case, because of the final decrees of dismissal as to both patents by the District Court of the Western District of Pennsylvania.

*Second.* That should the court hold that there was no final adjudication in the Pennsylvania case as to Letters Patent 621,324 directions should nevertheless be given to the District Court that the bill in the instant case should be dismissed because there is a final adjudication against the Letters Patent 635,280 (the second patent) and the record clearly shows that there is no "first patent" (621,324) or any other valid patent in existence.

*Third.* That should the court hold that there might possibly be some ground for recovery or that this court should not itself here pass upon that question upon this record, then the present decree should be set aside and such directions given as will eliminate Letters Patent 635,280 from the litigation and permit or require plaintiffs to amend their bill of complaint accordingly, and allow the defendant his day in court under the present situation to defend against allegations of the existence and (if existing) against the existence, validity and claim of infringement of, Letters Patent 621,324.

Respectfully submitted,

JOHN S. MILLER,

EDWARD OSGOOD BROWN,

PAUL SYNNESTVEDT,

CHARLES A. BROWN,

*Counsel for Petitioner, National Brake  
& Electric Company.*